The Institution-building and Changing Processes of Social Enterprise in South Korea: The Struggles of Multiple Actors and their Discourses

by

Jieun Ryu

A thesis submitted in partial fulfilment of the requirements for the degree of

Doctor of Philosophy in Business and Management Studies

Warwick Business School

University of Warwick

July 2017

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Acknowledgements

First and foremost, I would like to express my sincere appreciation to my supervisor Professor Marianna Fotaki. It was my great honor to be her student. Throughout my Ph.D. studies, she has been enlightening, motivating, and encouraging. Her great intellectuality as well as caring support enabled me to draw a grand picture of my research and make it real, as the completed thesis. Only with her patience, guidance, genuine care and faith in me, could I push myself to go through the process of doing a Ph.D. I also would like to express my great appreciation to my other supervisor Professor Juliane Reinecke. I really appreciate her constant advice to me to develop my understandings of institutional and social movement theories. Her valuable guidance allowed me to connect my research ideas with the theory and present them in my thesis. My Ph.D. would have not been possible without their strong academic and personal support.

I also appreciate the contributions from my examiners, Professor Hari Tsoukas and Dr Stratos Ramoglou, who provided invaluable feedback on my research. I thank them for their direction and advice for my Ph.D. thesis, as well as for my future research.

I would like to send my gratitude to Professor Yong-hee Chee who strongly encouraged me to do Ph.D. in social entrepreneurship. I greatly appreciate Professor Dongju Choi who constantly motivates me to a better student and better person. I would have not started and completed my Ph.D. without his constant encouragement and support during the last 10 years. Professor Jongseo Son of the Entrepreneurship Centre at Sookmyung Women's University gave me so many valuable opportunities to engage within the Korean social entrepreneurship field while I served as the Deputy Director of Entrepreneurship Centre. These opportunities became my nourishment of knowledge which enabled me to understand the Korean social entrepreneurship field deeply.

My research would have not been completed without the immense help of my interviewees, including social entrepreneurs, researchers, activists, policy makers and professors in the social entrepreneurship field in Korea. All of their experiences and knowledge helped me greatly in understanding the social enterprise phenomena and the field deeply. I really appreciate their time and effort in sharing their own experiences and knowledge with me. I also would like to take this opportunity to express my great respect to all the social entrepreneurs who are tirelessly challenging social problems with innovative ideas and creating positive social outcomes for our society.

I would like to thank the International Social Enterprise Research Network (EMES), especially Professor Jacques Defourny and Professor Marthe Nyssens who gave me a great opportunity to meet the Korean research group of the International Comparative Social Enterprise Models (ICSEM) project. I also very much appreciated the members of the Korean research group of the ICSEM – Eric Bidet and Hyungsik Eum who have been engaged in developing a Korean social enterprise typology together during the last three years with constructive discussions on the topic.

Lastly but not the least, my very biggest appreciation goes to my family for all their unconditional love and support. Especially to my parents, Jeong-woong Ryu and Geum-sook Kim, who taught me that everyone is different but not wrong, and that there is no single answer to any question. My thesis is grounded in their philosophy of life and teaching, which serves as the inspiration for all of my work. I also thank my brother, Dong-eon Ryu, my best friend for his support.

Declaration

This thesis is submitted to the University of Warwick in support of my application for the degree of Doctor of Philosophy. It has been composed by myself and has not been submitted in any previous application for any degree.

This thesis does not exceed the word limit of 80,000 words, exclusive of appendices, footnotes, tables and bibliography.

Abstract

My thesis explores the growing research area of social entrepreneurship by exploring the struggles over the meaning of social enterprise which emerged during the institution-building process of social enterprise as a new organizational form in South Korea. Although the initial idea of social enterprise was self-sustaining and self-financing to pursue their own social agenda, some of them have been integrated into the existing taxonomy of business or public policy system. In my thesis, I aim to reveal how independent bottom-up social enterprise initiatives are integrated or not into public policy through the case of the emergence of Korean social enterprise. In Korea, the government's attempts to integrate social enterprise activities resulted in struggles over the meaning of social enterprise between top-down and bottom-up actors especially after the legalization of the Social Enterprise Promotion Act in 2006. To explore how each actor is involved in institution-building projects and how their activities influence specific institutional changes in the context of social enterprises in Korea, I present multiple data sources. Collected data includes official documents, meeting and public hearing minutes, newspaper articles, but mainly semi- and in-depth interview data with social entrepreneurs and professionals from different groups working with social entrepreneurship during a fieldwork in Korea between March and August in 2014. I used a macro discourse perspective to explore how actors understand and use discourses of social enterprise differently in changing economic, social and political environments. Then I analyzed how actors take different strategies based on their positions and own interests in order to legitimize the claim they make against the existing discourse. In this process of analysis, I will conclude that a dominant discourse can be contested by relatively powerless bottom-up actors in the institutional field through constant struggles over the meaning of social enterprise and that these struggles can put bottom-up actors in a higher institutional position that can make institutional changes.

Keyword: social enterprise, institutional entrepreneurship, social movement, macro discourse analysis, South Korea

Abbreviations

ASH: Anglican Sharing Homes

CACO: Christian Association for Community Organizing

CIC: Community Interest Company

COUP: Catholic Organizations for the Urban Poor

CSSSED: Civil Society Solidarity for Social Enterprise Development

EBS: Educational Broadcasting System

KBS: Korean Broadcasting System

KCCSE: Korea Central Council of Social Enterprise

KDI: Korea Development Institute

KLI: Korea Labor Institute

KOSEA: Korea Social Enterprise Promotion Agency

KOSIS: Korean Statistical Information Service

KTV: Korea TV

MoEL: Ministry of Employment and Labor

MoGH: Ministry of Government Administration and Home Affairs

MoSF: Ministry of Strategy and Finance

MoW: Ministry of Welfare

NBLS: National Basic Livelihood Security

NMCOU: National Movement Committee for Overcoming Unemployment

SEN: Social Enterprise Network

SEPA: Social Enterprise Promotion Act

SKSE: Solidarity for Korean Social Economy

SMBA: Small Medium Business Administration

SSAC: Self-Sufficiency Assistance Centers

SSAP: Self-Sufficiency Assistance Policy

Introduction

Personal Motivation

What can we do to live better? This question has been in my mind for a long time and from my personal experiences and research I have learnt that business is an area which can contribute to improving the quality of people's lives. In particular, as a result of my Chinese literature major, I was able to gain a greater in-depth knowledge concerning the circumstances and lives individuals living in the underdeveloped areas of China. Furthermore, thanks to my background in political science studies, I was also able to observe and analyze the role of several key factors from different perspectives given the complexities of an increasingly globalized world. International organization studies, as my third major, also led me to look at the international efforts put into place to solve problems taking into account the perspective of a globalized world. In this sense, it was inevitable to focus on social enterprises which are dedicated to solving social problems by means of innovative businesses, as my main interest of research.

In my master's thesis, I emphasized the importance of globalization and of innovation in the case of Korean social enterprises. I mainly adopted the social enterprise typology as defined by Alter (2004) along with the theory of social entrepreneurship to explain the different forms of Korean and global social enterprises. I concluded that global social enterprises can be replicated in other socioeconomic conditions, without losing business opportunities when expanding their business and social missions. I also found that they are relatively free from specific organizational types and are generally more entrepreneurial. Korean social enterprises, on the contrary, tend to emphasize their social missions, rather than an entrepreneurial mindset and activities.

The term "social enterprise" was officially introduced to Korean society when the Korean Ministry of Labor (MoL)[1] enacted the Social Enterprise Promotion Act (SEPA) in 2006. Nevertheless, my main academic interest and experiences on

[1] The Ministry of Labor (MoL) changed its organizational name to the Ministry of Employment and Labor (MoEL) in 2010. In this thesis, I used the both names according to the years of their activities. MoL is used for organizational activities before 2010, and the MoEL is used after 2010.

the topic had already started to evolve around the concept of social enterprises some time before that date. It was when I organized the first student fair trade group in Korea that I took my first steps into the social enterprise sector. I discovered the term "fair trade" through a "Human Rights and Justice" class in 2006 and realized that "fair trade" can be an effective business tool to solve the social problems of the world. At that time, my cohort and I made the effort to study fair trade and social enterprise history and their related systems in both underdeveloped and developed countries. We also held seminars, conferences and events to raise public awareness with regard to this topic. Thanks to these activities I learnt that theory can be translated into action and that the realization of an idea and of the concept of social business varies according to the context where an organization emerges originally.

My research interest and prior experiences in student movements led me to work in the research area of social entrepreneurship. More specifically, my previous job experiences at the Entrepreneurship Center of the Sookmyung Women's University as a Deputy Director have enhanced my understanding on the struggles and conflicts around the meaning of the notion of social enterprise between different groups of people in South Korea. In this occasion, I was able to meet more than 300 social entrepreneurs managing several social entrepreneurs' academies, such as the "Social Entrepreneurs' Academy" which was hosted by the Ministry of Employment and Labor, the "Seoul Social Entrepreneurs' Academy for Chief Executive Officers and Employees" and the "Social Enterprise Course at the Senior Entrepreneurship School", amongst others especially in 2011. I had the opportunity to observe and communicate with social entrepreneurs very closely and had a clear impression that there is no consensus on the meaning of the concept, even though the government had provided the official meaning of Social Enterprise through the law.

In addition to these opportunities, additional encounters with social entrepreneurs in the field helped me to understand governmental approaches on social enterprise in Korea. Through several meetings with government officers, I found out that the Korean government has somewhat narrowly focused on the role of social enterprises as a tool to advance governmental objectives, most notably in relation to job creation, rather than the consideration of social value creation. These experiences helped me to realize that the role and future of Korean social enterprises

from the perspectives of the government, civil society, business and academia are all seen differently from one another.

Besides these experiences in the field in Korea, I was also able to observe similar phenomena in other countries specifically in the research field of social entrepreneurship before and after I started my Ph.D. research project entitled "how have historical and socio-economic factors affected the top-down and bottom-up emergent processes of social enterprise in South Korea?" Every time I attended conferences and seminars on social enterprises, there was a certain confusion on the definition of social enterprise between researchers, scholars and practitioners. The question I most often heard during many academic events was the following: "are we talking about the same thing? Everyone here is talking about different organizations, although they still use the same term 'social enterprise'. We really need to have a clear concept of social enterprise to be able to discuss its activities and sustainability."

All these experiences, combined together, have given me valuable insights into research on social enterprises as a new organizational form and more specifically, on the struggles over the definitions of social enterprise between different actors who present different experiences and understandings in relation to the concept. My research question has undergone further elaborations over the last four years of Ph.D. studies and has taken the form of a specific inquiry namely, "how has social enterprise as a new organizational form been institutionalized through the interactions between different actors in different social positions? And how does each actor use their own discourse of social enterprise so that it is included in the institutional field?" In the next sections of the Introduction chapter, I will present the definition of social enterprise which I have adopted for this research project. And I will then elaborate on the research questions and on the contributions of my thesis, both theoretical and practical.

Research Background and Problem Statement

It has only been around 25 years since the first social entrepreneurship related article in management and entrepreneurship was published in 1991 (Waddock and Post 1991) according to Short, Moss, and Lumpkin (2009). During the last 25 years, social entrepreneurship and social enterprise are increasingly being recognized as legitimate fields warranting substantial research by diverse disciplines, such as sociology (Hockerts, Mair, and Robinson 2010), entrepreneurship (Chell, Nicolopoulou, and Karatas-Oezkan 2010; Corner and Ho 2010), management (Bagnoli and Megali 2011; Meyskens et al. 2010), ethics (Cornelius et al. 2008), finance (Austin, Stevenson, and Wei‐Skillern 2006), psychology and education (Chand and Misra 2009), and politics and institutions (Hemerijck 2002; Dey and Steyaert 2010).

Nonetheless, it is clear that the diversity in social enterprise research has not led to a common understanding of the definitions and concepts of social enterprise and other related characteristics. Many scholars (Gergen and Thatchenkery 1998; Lehner 2011; Perren and Ram 2004; Short, Moss, and Lumpkin 2009; Weerawardena and Mort 2006) recognize that the social enterprise research field is in a "pre-paradigmatic state." To date, in that sense, descriptive studies which define key constructs such as social entrepreneurship, and explanatory studies which investigate how and why key constructs are related, have mainly been conducted with a lack of a unified definition and concept of social enterprise (Short, Moss, and Lumpkin 2009).

Moreover, research has consistently shown that most studies about the emergence of social enterprise focus only on cases from the United States or Europe (Borzaga 2004; Dart 2004; Defourny 2004; Haugh 2005; Spear and Bidet 2005; Kerlin 2006; Defourny and Nyssens 2010; Kerlin 2010). The top-down policies that the government is implementing aim to achieve its social welfare goals by promoting social entrepreneurship activities in some European countries (Borzaga 2004). Meanwhile, the emergence of European or American social enterprise is mainly regarded as a bottom-up process led by people from the local community to enhance the quality of life and the level of democracy, as Borzaga (2004) found.

Still, the mechanisms of integrating bottom-up social enterprise initiatives into public policy to solve social problems, such as unemployment and lack of social welfare services remain unaddressed. Therefore, in my thesis, I used both top-down and bottom-up approaches in order to capture the struggles over the meaning of various forms of social enterprises. The "top-down" approach, which originated from public policy studies basically considers an initial policy decision and the policy-making body which influences the process of policy implementations (Pressman and Wildavsky 1984; Van Meter and Van Horn 1975; Sabatier 1986), whereas the "bottom-up" approach emphasizes the role of "field-level decision-making actors" and individuals' and organizations' response to problems (Elmore 1979; Lipsky 2010). Especially when studying the emergence of Korean social enterprise under a strong support of the government with the legalization of the Social Enterprise Promotion Act from 2006 onwards, top-down and bottom-up approaches enabled me to explore the material consequences of discursive struggles in terms of building a shared understanding of social enterprise.

Social enterprises are a new organizational form which prioritize their social objectives instead of the ownership of capital (Laville and Nyssens 2001). They are also in some cases known as grassroots emerged organizations "initiated by groups of citizens who seek to provide an expanded range of services and more openness toward the local community" (Laville and Nyssens 2001: 312). More specifically, social enterprises are considered to be innovative, different and part of the organizational alternatives to the mainstream status quo. According to the literature, social enterprises are not dependent on external funding, unlike NGOs or charity organizations, but they are able to fund their own activities and to pursue their social missions (Chell, Nicolopoulou, and Karatas-Oezkan 2010). Financial self-sustainability and the profitability of social enterprises enable them to push their own agenda more independently (Chell, Nicolopoulou, and Karatas-Oezkan 2010).

However, there have been several attempts to integrate social enterprises into the existing taxonomy of doing business in relation to objectives and ownership, as well as the existing public policy system, especially by placing them under the services of the government (Kerlin 2006; Defourny 2001; Defourny and Nyssens 2008; Teasdale 2012). Also, the interest of the government in promoting social entrepreneurship is increasing, given that providing public services through social

enterprises is actually cost-efficient when promoting social enterprise activities which are 'efficient' (Defourny 2001; Chell, Nicolopoulou, and Karatas-Oezkan 2010). For example, governments may finance the activities of social enterprises in order to make use of them as alternatives for their own purposes, such as in the case of providing public services. Of course, non-profit organizations and public corporations are often financed by governments, considering that these are types of public-NGO partnerships (Minow 2000; Besley and Ghatak 2001). However, social enterprises differ from non-profit and public corporations due to their higher independency in terms of financing and to the ownership of capital (Laville and Nyssens 2001).

However, the government sponsorship of social enterprises is not without its problems. As a result of the increased government investment in promoting social entrepreneurship to provide public services, many social enterprises compete against each other to receive more government subsidies, procurements and contracts. In particular, the emergent process of Korean social enterprises exemplifies how alternatives can be co-opted by the government. As a matter of fact, in 2006 after the enactment of the Social Enterprise Promotion Act (SEPA), the Ministry of Labor (MoL) provided the subsidies to employ at least one full-time worker for each organization, depending on the size and needs of certified Social Enterprises (Ministry of Employment Labor 2006). When the policy started to be implemented, there were not many organizations that fitted the certification criteria which were necessary. However, the number of certified Social Enterprises increased very soon and currently in December 2016 there were a total 1,672 certified Social Enterprises (Ministry of Employment and Labor 2016).

The rapid increase in the numbers of certified Social Enterprises in Korea shows that it is hard for many of them to resist or ignore the opportunity of receiving more financial resources from public or private institutions that are supposed to be kept at a distance. Although the social enterprise movement started from the idea of self-financing, practices and reality can differ from theory especially when an organization is struggling with financial issues. The problems for social enterprises related to receiving government subsidies have to do with the risk of losing focus on the original motivations and changing their original social objectives to fit the given criteria. Throughout this process of being integrated to existing social orders, social

entrepreneurs have to search for compromises with reality and financial pressures. During this process, they take on the risk of being shaped by powerful actors and losing their original ideologies which had been constructed when starting social enterprises as alternative movements against the conventional business system.

Once the government institutionalizes a new organizational form by establishing a new regulation for the existing field-level activities, this easily spreads throughout the country especially when policy networks, societal groups, and resources are centralized, as in a state like Korea (Spencer, Murtha, and Lenway 2005). In this way, without any exceptions, in 2006 the meaning and organizational forms of social enterprises became dominant across the country after the Social Enterprise Promotion Act (SEPA). However, there are still some groups of actors who maintain the original motivations of social enterprises, by creating the economic and social value of social enterprise independently. These independent initiatives created alternative terms to Social Enterprise – social venture and social innovative enterprise which will be mainly presented in Chapter Eight. Although some of these have been co-opted by the government, they still have created organizations which reflect their motivations and views in practice and interact with other actors which have different views on social enterprises.

The multiplicity of definitions, activities and organizational forms of social enterprise resulted in debates on existing interpretations of the concept of social enterprises across the world (Laville and Nyssens 2001; Mair and Marti 2006), as presented in Chapter One. In the Korean context, the struggles over meaning are more explicit because there is a strong push on certain social enterprise criteria as an organizational form as defined by the law in the "Social Enterprise Promotion Act (SEPA)." Because the government, civil society and independent social entrepreneurs interpret the meaning of social enterprise differently, the definition and criteria of Social Enterprise provided by the SEPA has often been criticized. These struggles show how the official meaning of social enterprise can be dominated and spread by powerful actors, namely the government in this context, while the meaning of social enterprise as presented by relatively powerless actors is neglected in the institutionalized field. Therefore, the struggles over the meaning of social enterprise between different groups of actors not only shows the different understandings of social enterprise, but also the power struggles over the meaning of social enterprise.

In short, the institutionalization process of social enterprises as a new organizational form in the Korean context can contribute to explaining how powerful actors keep their power and social positions at high levels while neglecting powerless actors.

Unlike many other contexts, in Korea the meaning of social enterprise is predominantly defined by political authorities. However, other field-level bottom-up actors, including social enterprise support organizations, networks of social enterprises and individual social entrepreneurs, show a certain resistance against this meaning and instead they choose to provide their own definition(s)[2]. As a result of the constant interactions between different top-down and bottom-up actors who promote different discourses based on their experiences, knowledge and values, the meaning and criteria of social enterprise in the SEPA have been changed, as I presented in Chapter Seven. Therefore, this active involvement of bottom-up actors who are relatively powerless in developing a shared understanding of the meaning of social enterprise provides a new approach to the emergence of social enterprises, which has been considered to date as a top-down process.

In my thesis, top-down and bottom-up approaches and/or actors have been identified during data collection and data analysis as I described in Chapter Four. First, the top-down approach is a governmental approach that considers social enterprise as a concept which emerges from the formal legalization, the SEPA. Accordingly, top-down actors are those who share this approach, including government institutions, big business groups, research institutions and intermediaries funded by the government. Second, the bottom-up approach is an oppositional or alternative approach that *partly* or *fully* rejects the governmental approach concerning the definition of social enterprises. Bottom-up actors are, therefore, field-level individuals and organizations, such as civil movement organizations, social entrepreneurs' networks and individual social entrepreneurs, who react to field-level, as well as institutional problems. Therefore, top-down actors tend to perceive social enterprises as an organization delivering public services instead of the government, while bottom-up actors perceive social enterprises as independent and alternative organizations solving economic, social and political problems which the government and traditional businesses are incapable of solving. The identification of top-down

[2] The identification of top-down and bottom-up actors is presented in Chapter Four.

and bottom-up actors and their discourses will be provided in greater detail in Chapter Four.

The top-down actors, the government, members of the National Assembly, and some intermediary organizations subsidized by the government, took the main role in the process of institutionalizing the meaning and concept of social enterprise by establishing the law known as the SEPA in 2006. In the last six years, after the SEPA, the number of Social Enterprises increased dramatically along with strong government support and policy. The government has also invested about £ 76.8 million (1.4 billion Korean Won) from 2006 to 2011 to support Social Enterprise creation and its sustainable management under the act (Lee 2011). In addition, in 2012, the government decided to run an approximately £ 96.5 Million (176 billion Korean Won) budget in support of Social Enterprises (Ministry of Strategy and Finance 2011).

In the meanwhile, bottom-up actors also have pushed their own discourses so that they can widen the government's definition of Social Enterprise to gain institutional recognition and legitimacy. Bottom-up actors, who initially invented the concept of social enterprise using different names, such as workers' cooperatives in the Korean context, have been constantly involved in the institutional-building project of Social Enterprise resorting to their own discourses with various strategies. The involvement of bottom-up actors in the institutional-building process of Social Enterprise has influenced top-down actors to change the institutional meaning of Social Enterprise and the existing institutional setting of Social Enterprise promotion policies.

Therefore, the Korean case of the emergence of social enterprises can help to explain the relationship between the social enterprise sector and the state, given that only a few scholars have presently engaged with this issue (Mulgan 2006; Munoz 2010; Murdock 2007). While some research emphasizes the role of heroic individual entrepreneurs (Battilana and Dorado 2010) and the role of idea senders (Czarniawska and Sevón 1996) in institution-building projects, others argue that social actors actively engage in institution-building processes through collective action and contention in order to build a shared understanding of the topic (Rao, Morrill, and Zald 2000; Schneiberg and Lounsbury 2008). The purpose of this thesis, therefore, is neither to look at the role of institutional social entrepreneurs in sustaining a social

enterprise, nor at the way in which an idea is adopted in one geographical context. Instead, my focus lies on how different actors actively engage in an institution-building project of Social Enterprise, in terms of developing a shared understanding of social enterprise and how social enterprise as a new organizational form is institutionalized through the interactions between actors, even though they interpret the meaning of social enterprise differently according to their accumulated experiences, knowledge, and values. Throughout this meaning making process which is part of the institution-building process, my research reveals the positive outcomes of conflict that causes top-down and bottom-up actors to gain a greater understanding of each other's ideologies and to empower themselves by gaining a higher institutional position that enables them to define social enterprises.

To explore how each actor is involved in institution-building projects and how their activities influence specific institutional changes in the context of social enterprises in South Korea, I present multiple data sources. Collected data includes official documents, meeting and public hearing minutes, newspaper articles, but mainly semi- and in-depth interview data with social entrepreneurs and professionals from different groups working with social entrepreneurship during a six-month fieldwork in South Korea between March and August in 2014. I used a macro discourse perspective to explore how actors understand and use discourses of social enterprise differently in changing economic, social and political environments. Then I analyzed how actors use specific discursive or practical strategies in order to promote their own discourses of social enterprise to be accepted by other actors. Considering social reality to be shaped through language and historically situated discursive moves (Alvesson and Karreman 2000), I explore how actors take different strategies based on their positions and own interests in order to legitimize the claim they make against the existing discourse (Maguire and Hardy 2006). In this process of analysis, I will conclude that a dominant discourse can be contested by relatively powerless bottom-up actors in the institutional field through constant struggles over the meaning of social enterprise and these struggles can put bottom-up actors in a higher institutional position that can make institutional changes.

Definition of Social Enterprise

One of the key recurring themes in my data sources, which are mostly given by interviews, is represented by the confusion over the official meaning of social enterprise. During the interviews, in order to prevent any confusion between the different discourses of social enterprise provided by each actor, I described the institutionalized meaning of social enterprise as "Social Enterprise defined by the SEPA." I described the other forms of social enterprise as "uncertified social enterprises", "social enterprises in broad", "organizations which are supposed to be social enterprise", or "bottom-up social enterprises." This confusion on the meaning of social enterprise is due to the disagreement with the official definition of Social Enterprise by different actors.

For the sake of clarity, in my thesis I identify any uncertified social enterprises as "social enterprises", and certified Social Enterprises as "Social Enterprises." The number of certified Social Enterprises overwhelmingly dominates the social entrepreneurship field, as shown in the brief statistics provided in Chapter Five. Social Enterprise, starting with capital letters "S" and "E", is an institutionalized organizational form of social enterprise in South Korea. In 2006, the Ministry of Labor (MoL) established the law "Social Enterprise Promotion Act (SEPA)" which certifies Social Enterprises according to specific criteria such as objectives, legal forms, governance and activities. In South Korea, only those Social Enterprises certified by the government are legally allowed to be called social enterprises, while uncertified social enterprises are legally prohibited from using the name of social enterprise. The Korean government has led to the institutionalization of the concept of social enterprise by means of a legalization at the national level. The concept and meaning of certified Social Enterprises has spread over the country and has become the dominant and official discourse of social enterprise from the moment in which they were institutionalized.

Besides certified Social Enterprises, social enterprises, starting with lower case letters "s" and "e", fit the broad concept of social enterprise, which is defined as an organization pursuing both social and economic purposes, and tries to solve social problems through various business activities. In South Korea, despite the fact that the concept of social enterprise has been legally institutionalized by the government,

other actors such as NGOs and individual social entrepreneurs show resistance against the dominant discourse of Social Enterprise by conducting their own social enterprise activities and strategies continuously. In short, "social enterprise" with lower case letters "s" and "e" includes existing organizations which are self-perceived as social enterprises since they have both social and economic objectives at the basis of their business activities.

Research Questions and Approach

Given the historical background and present circumstances of social enterprises, the following overarching research question has been drawn:

"how do interactions between different groups of social actors shape the emergence of new organizational forms?"

Here, interactions refers to the discursive interactions which shape social reality through language (Alvesson and Karreman 2000). In my thesis, discourse is a system of texts that brings an object into being (Parker 2014) and the foundation of the process of social construction upon which social reality depends (Berger and Luckmann 1991). Therefore, organizational forms are the results of continuous discursive interactions between actors who constantly produce discourses in order to influence in the institutional structuring process. I introduced the role of discourse and discursive interactions in my research in Chapter Three more specifically.

This research question is further specified on the basis of the research context of the emergence of social enterprises in South Korea:

"how do the interactions between top-down and bottom-up actors shape the emergence of social enterprises as a new organizational form in South Korea?"

In this thesis, I analyze the emerging process of social enterprises as a new organizational form using macro discourse analysis by taking a neo-institutional

approach which views the institutional field as consisting of multiple logics, indeterminacy, ambiguities or contradictions (Scott et al. 2000; Stryker 1994; Seo and Creed 2002; Schneiberg 2007; Lounsbury and Crumley 2007; Marquis and Lounsbury 2007). In other words, I use the institutional approach with Greenwood and Suddaby (2006: 30) defining an organizational form as "an archetypal configuration of structures and practices given coherence by underlying values regarded as appropriate within an institutional context." Accordingly, a new organizational form will gain legitimacy when social actors realize that it corresponds to their interests and values within an institutional context (Rao, Morrill, and Zald 2000; Tracey, Phillips, and Jarvis 2011). Therefore, organizational emergence, change, and its structure cannot help being influenced by existing institutions and institutional logics (Lawrence 2008).

Given the above considerations, a set of specific research questions is drawn as follows.

First, how do distinct social actors interpret the meaning of a new organizational form differently? How are the dominant discourses of social enterprise which emerged in government policies interpreted differently by social entrepreneurs?

Second, how do social actors push their own discourse of a new organizational form to be accepted by powerful actors who can influence institutional changes? What are their discursive and practical strategies used to influence the emergence of a new organizational form?

Third, how do tensions in defining social enterprise between different social actors influence the institution-building process of social enterprise?

These research questions will be addressed by observing and analyzing the emerging definitions and practices of social enterprises in South Korea, both, as a response to government policy and as bottom-up initiatives which emerge independently from such policies. Why and how this Korean case of social enterprise

can provide answers to the research questions raised will be explained in Chapter One.

Contributions

This thesis aims to contribute to the growing research area of social entrepreneurship by exploring the struggles over meaning which emerged during the institution-building process of social enterprises as a new organizational form.

The first contribution of this thesis is to emphasize that seemingly and relatively powerless bottom-up actors can accomplish institutional changes. Mainstream organizational theories have not paid enough attention to those less powerful actors who are also interested in adjusting existing institutional arrangements (Seo and Creed 2002). Interestingly, Dionysiou and Tsoukas (2013) also found in previous research that powerless actors depend on powerful actors and their "interpretation, expectations, and actions", instead of using their own in order to be influential (Edmondson, Bohmer, and Pisano 2001; Metiu 2006; Dionysiou and Tsoukas 2013). In other words, the definitions promoted by powerful actors are more likely to be accepted by other actors in meaning-making processes (Cast 2003). Howard-Grenville (2005) also show that powerful actors can make changes in organizational routines. Nonetheless, powerless actors in a certain context or social structure are possibly using powerful actors' interpretations and intentions on purpose, such as to seek accurate information in order to "increase their influence or interests" (Fligstein 2001).

In this thesis, I focus on the ability of the relatively powerless actors who are able to construct not only their own concepts, definitions and understandings of a new organizational form, but also to create organizations in practice based on their understandings. Moreover, I consider the fact that they are also able to promote their own understandings of a new organizational form to be accepted by other actors that influence the institutional-building and changes. This is in line with Seo and Creed (2002) who in prior research found powerless social actors to also be potential change agents. In this thesis, I claim that different groups of actors in lower power positions have different intentions. For this reason, their reactions to powerful actors

are different. Thus, the main contribution of my thesis is that powerless actors do not always depend on other powerful actors. Instead, some are able to empower themselves enough to be influential in the institutional fields. In addition to these considerations, it is important to note that the strategies used to react to powerful actors' interpretations vary depending on the actors. For example, during this empowerment process, bottom-up actors who promote local development, cooperatives and self-sufficiency discourses position themselves as nascent actors who initially developed the concept of social enterprise and actual organizational forms. Instead, other bottom-up actors who promote social innovation discourses framed themselves as different from those actors who can achieve financial sustainability and gain a winning position in the capitalized market system.

Second, my thesis claims that conflicts between actors actually lead to the emergence of new institutions or institutional changes. As stated in a review by Seo and Creed (2002), prior research in the area of institutional studies mainly focused on how organizations and individuals conform to powerful actors, rather than contradicting them. However, institutional building or change processes are never easy but challenging, because each social actors' interests differ based on their social positions and the context where they are located (Seo and Creed 2002).

Early institutionalists claim that institutional changes can be achieved when institution-building and change processes are harmonious and peaceful, without conflicts between actors (Meyer and Rowan 1977; Tolbert and Zucker 1983). Furthermore, actors try to avoid conflicts with other actors to achieve an agreement on the institutional meaning and settings because they are considered "passive recipients of institutional frameworks" (Scott 1995; Seo and Creed 2002: 240). By contrast, this thesis shows that the struggles over meaning and the activities of social enterprises provide an opportunity to gain further understanding on each other's ideologies, and that these struggles triggered the discourses of powerless actors to be accepted by other actors (Maguire, Hardy, and Lawrence 2004). As a consequence of having to confront powerful actors and pushing their own discourses towards other actors, powerless actors (bottom-up actors) are empowered to make institutional changes. Actors who oppose the official discourses are, therefore, constantly pushing their discourses by interacting with other actors and in this way they have successfully brought forward institutional changes, as shown in Section 7.5.

The third contribution of this thesis is to conceptualize the various forms of emerging social enterprises. There have been some attempts to combine the two different approaches, namely institutional entrepreneurship and social movement perspective in post-institutionalism (McCarthy and Zald 1977; McAdam, McCarthy, and Zald 1996; Rao, Morrill, and Zald 2000), but not many studies have addressed the relationship and the interactions between multiple actors. My research contributes to advancing the understanding of institutional processes at the field level from a multi-level perspective, by identifying multiple actors and discourses in the field and how they interact with each other (Schneiberg and Lounsbury 2008). In my thesis, I uncover the co-existence of multiple forms of new organizations using the same name "social enterprise", by shedding light on the history of social enterprise from a bottom-up perspective in the Korean context. As a matter of fact, the history of Korean social enterprises used to be written from a top-down perspective. Grassroots activities of conceptualizing and building social enterprises in practice are often mentioned in this history but always from the top-down perspective. However, the history of bottom-up movements of social enterprises has been to date oversimplified. It is important to note that neglecting or simplifying the history of bottom-up social enterprise movements introduces blind spots to the cumulative process of the construction of the meaning of social enterprise. For this reason, this work retraces the progress of the development of the idea of social enterprise from both a top-down and a bottom-up perspective, thus illuminating the concept that social enterprise emerges from dynamic and complicated circumstances which are apart from the top-down policy implementation. This finding is novel because the emergence of social enterprises is assumed in general to be a bottom-up process. In particular, this thesis shows that this assumption does not hold in South Korea. The institutionalization of Korean social enterprises is considered as the result of the privatization of policy, rather than of bottom-up movements. In spite of the top-down led processes of institutionalization, bottom-up actors who initially introduced the concept of social enterprise continued to promote their understandings of social enterprise. Furthermore, bottom-up and top-down actors continue to interact with each other to achieve a shared understanding of social enterprise.

Fourth, this thesis empirically contributes to extending the boundary of social enterprise theory in a different geographical scope, as pointed out by Peattie and

Morley (2008) who emphasize the importance of theory development with regard to geographical diversity, which has been regarded as one of the limitations of the social entrepreneurship research field. Furthermore, this thesis also contributes to explaining the general phenomena of the broad spectrum of social enterprise. Also, I provide some practical insights for (potential) actors in the social entrepreneurship field. As a matter of fact, findings show that the lack of understanding of other actors' discourses and activities can cause misunderstandings in relation to intents or purposes. Especially from the policymaker's perspective, gaining a greater knowledge of the field more closely will help to reduce the costs of policy implementation and the frequent amendment of laws. It will also help keep policies stable and effective, given that policies undergo comprehensive debate before their implementation.

Research Structure

The remainder of this thesis is organized as follows. Chapter One provides a review of the literature and identifies the various definitions of social enterprise in different contexts. This Chapter will therefore provide a further understanding of the spectrum of definitions of social enterprise, which are key to analyzing how different actors interpret and practice a variety of social enterprise discourses.

Chapter Two outlines the approaches on the emergence of new organizational forms, which are related to institutional entrepreneurship and social movement approaches from the neo-institutional perspective that can in turn uncover the co-existence of multiple actors and their interpretations of institutional logics. I will address the research gap of understanding institutional processes at the field-level in a multi-level perspective by emphasizing how different actors as political forces mobilize strategies to create political contexts to obtain favorable outcomes in the institutional fields. In this Chapter, I suggest the combination of both institutional entrepreneurship and social movement theories to fill the existing research gap.

In Chapter Three I introduce how language is used to frame different discourses in institutional processes; it offers a useful theoretical lens to study socially constructed ideas through discourse, text and action. I will discuss its

relevance in the analysis of the emergent processes of a new organizational form as a result of interactions between different social actors.

A brief history of Korean social enterprises according to both top-down and bottom-up perspectives is offered in Chapter Four. In this Chapter, I will outline the respective discourses of multiple actors in the institutional field of social entrepreneurship in South Korea.

Chapter Five moves on to consider the grounded theory approach as a research method used to address the research questions of this project and the management of the research process. This Chapter also re-emphasizes discourse analysis as a research tool to analyze and frame my dataset. I then describe my data sources and the process of collecting data during the 6 months of fieldwork in South Korea.

In Chapter Six I describe the initial stage of the institution-building process of Social Enterprises in Korea between 2006 and 2010. This Chapter will unpack the conflicting processes of meaning making between social actors who are located in different social positions. Three instances of conflict between actors in the policy and civil society area, and between the government and civil society illustrate the political struggle for the institutionalization of the concept of social enterprise and its institutional setting. This Chapter outlines how the powerful top-down actors create and take the leading role in an institution-building project and how bottom-up actors instantly react to contribute to the project.

Chapter Seven focuses on the emergence of oppositional discourses as a reaction to the emergence of official and dominant discourses of social enterprise. Two instances of emerging oppositional discourses from intra and extra-institutional entrepreneurs illustrate how the two different groups of actors react differently even though they promote a similar discourse in order to conceptualize the different meanings and activities of social enterprise.

With Chapter Eight I introduce the emergent process of alternative discourses of social enterprise – social innovation and entrepreneurship discourses. In this Chapter, I will illustrate how alternative actors interpret the meaning of social enterprise differently and how they attracted other actors to their own discourses and organizations by being innovative, different and financially productive.

Chapter Nine discusses these findings by revisiting the theoretical background and with the empirical findings. In this Chapter, I demonstrate that new organizational forms can be understood in different ways by actors who occupy different positions of power. By generating greater inclusivity for multiple actors and discourses, we can see the positive outcomes of conflict, given that top-down and bottom-up actors start to further understand each other's ideologies and empower themselves by gaining a higher institutional position that enables them to define social enterprise. I argue that these seemingly powerless bottom-up actors are empowered by promoting their discourses and institutional logics in the complex process of institution-building. I then provide another instance of bottom-up alternative reactions to the top-down institution-building process of Social Enterprise, which takes different positions and strategies from other actors who promote official and oppositional discourses.

In the Conclusion Chapter, I will summarize and conclude my thesis with implications, contributions and limitations of my research. I will discuss how future research can help fill the gap and overcome the limitations of my thesis.

1 Background

1.1 Introduction

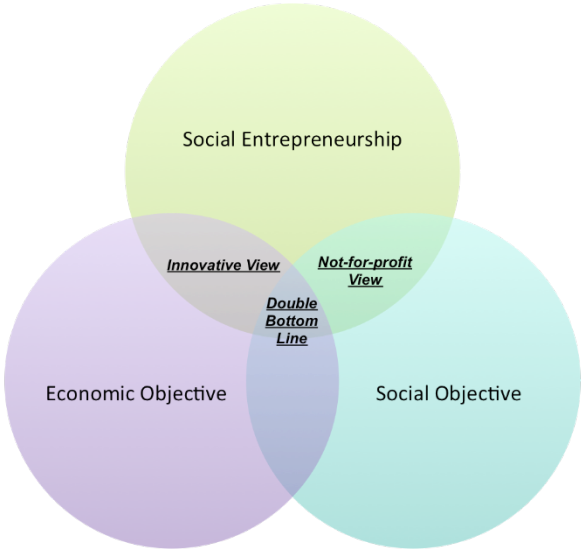
Despite having a relatively short history, social enterprise and social entrepreneurship are increasingly being acknowledged as legitimate fields, warranting substantial research on the topic, as discussed in the Introduction Chapter. However, given the diversity of social enterprise research there is no shared understanding of definitions, concepts of social enterprise and other related notions. As a matter of fact, several scholars (Gergen and Thatchenkery 1998; Lehner 2011; Perren and Ram 2004; Short, Moss, and Lumpkin 2009; Weerawardena and Mort 2006) recognize that the social enterprise research field is currently in a "pre-paradigmatic state." The criteria for a successful and sustainable social enterprise, in that sense, have barely been discussed, even though the identification of such criteria might provide practitioners with suggestions as to which strategies are likely to lead to greater success.

Besides the variety of definitions, it is important to recall that the nature of social enterprises requires their success to be measured differently from the cases of big corporations or small-medium-sized enterprises in the traditional business sector. Johnson (2001) and Stevenson (2011) claim that a social enterprise entails two different concepts of sustainability: social and economic as shown in Figure 1-1. These concepts are derived from the characteristics of a social enterprise, which includes financial and social objectives at the same time – also known as a "double bottom line" (Emerson and Twersky 1996; Johnson 2001; Alter 2004). According to Alter (2004: 16), "*social objectives aimed at mission accomplishment (social value creation) vary widely depending the organization's mission and sector and financial objectives focused on financial sustainability (economic value creation) vary according to funding needs and business model*."

Thus, the characteristic "duality of objectives" introduces a strong difference of social enterprises in comparison to traditional not-for-profit organizations and for-profit corporations. The term "double bottom line" indicates that economic and social objectives of social enterprises are non-separable. However, it is also true that

according to innovative views of social entrepreneurship, economic objectives are nevertheless prioritized, and therefore firms focus on making profits, rather than on meeting social objectives. This is the contrary of the view of not-for-profit social entrepreneurship, where the establishment and achievement of social objectives are considered to be the most important. To illustrate these three perspectives on social entrepreneurship better, I have presented a Venn diagram as Figure 1-1. As shown here, not only are financial gains to be considered as indicators of success in the field of social enterprises but there are also non-financial, or social factors, which imply an important and fundamental differentiation from traditional entrepreneurship.

Figure 1-1 Different Perspectives on Social Entrepreneurship and Its Characteristics



According to Desa (2007: 6), three are the research objectives which emerge in the field of social entrepreneurship:

"*1) To review the definitions and the early conceptualizations of social entrepreneurship, 2) To highlight the emerging streams of social entrepreneurship research, and 3) To suggest pathways to link social entrepreneurship to existing fields of research.*"

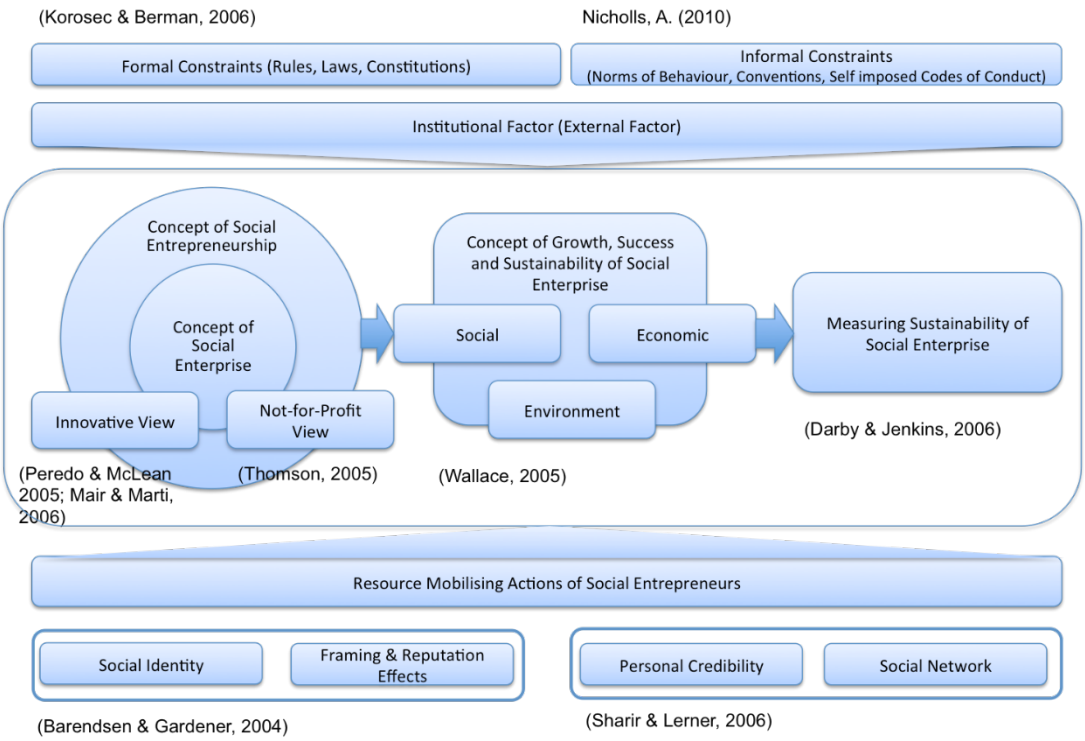
On the basis of an analysis of the existing literatures (Bornstein 2007b; Anderson, Dana, and Dana 2006; Barendsen and Gardner 2004; Thompson 2002; Pastakia 1998; Lasprogata and Cotten 2003; Shaw and Carter 2007), Desa (2007: 8) also clarified that "resource-mobilizing actions can form, sustain or grow a social venture base." The ability of social entrepreneurs to undertake such actions can also be supported by external factors, such as government laws and constitutions, or behavioral norms developed within certain socioeconomic and cultural environments.

In summary, existing literatures show that there are two factors that determine concepts, definitions and performance measures of social enterprises: external and internal factors. Institutional effects viewed as external factors of social enterprise emergence can be divided into two groups: formal and informal constraints. Formal constraints include rules, laws and constitutions, while informal constraints include norms of behavior, conventions, and self-imposed codes of conduct (Desa 2007). Given these considerations, Korean social enterprises can be discussed from the view of institutional effects given that they have actively flourished after the establishment of the Social Enterprise Promotion Act in 2006.

Another primary research issue in the field is the measurement of the performance of social enterprises. The relevance of this problem is central, given that funders such as governments, foundations, and venture capitals need to know and analyze the effectiveness of their economic and social investments. Also, the picture may be quite complex given that external actors have different objectives and intentions which can be achieved through social enterprise activities. Besides this, it is also important to remember that the level of social enterprise sustainability is not highly developed yet. For this reason, shaping the concept of sustainability in terms of social entrepreneurship and social enterprises is especially important at this time in history in order to analyze and identify the success factors of social enterprises which contribute to the development of more sustainable social enterprises in the near future.

The following annotated map (Figure 1-2) shows the current key papers which are relevant to the main research issue of social entrepreneurship and social enterprise.

Figure 1-2 Annotated Illustration of Social Entrepreneurship Research



To conclude, different concepts, origins, and socioeconomic factors of social enterprises are influential in the measurement of the performance, growth, success and sustainability of social enterprises. Substantial factors of growth, success, and sustainability of social enterprise may vary in different countries characterized by different socioeconomic and cultural environments. Understanding social enterprise in different socioeconomic and cultural perspectives, in that sense, is necessary in order to identify the factors or criteria of success social enterprises.

1.2 Definition of Social Enterprise in Different Contexts

1.2.1. Definition of Social Enterprise by Country

The term social enterprise has become relatively common in recent years. Definitions, origins, organization types and characteristics, however, differ according to each socioeconomic background. Nevertheless, overall there are two main approaches towards social enterprises. The first is an "innovative approach" while

the second is the so-called “non-profit approach” (Defourny and Nyssens 2012; Kerlin 2006). More specifically, innovative approaches place major emphasis on new combinations in at least one of the following ways: new services, new quality of services, new methods of production, new production factors, new forms of organizations or new markets (Defourny and Nyssens 2012). The non-profit approach is on the other hand regarded as a “mission-driven business approach” since it embraces all forms of business initiatives with social purposes or missions (Austin, Stevenson, and Wei‐Skillern 2006).

These definitions and approaches have been adopted in various manners in different time and places. Even though some scholars (Munoz 2010; Peattie and Morley 2008) have emphasized the importance of social enterprise research with diverse geographical scopes, most social enterprise studies on these geographical differences have been carried out in Europe, the UK and US so far. More importantly, even though the UK and US have similar views on commercial enterprises, they strongly differ when it comes to the field of social enterprise and to the nature of social entrepreneurship (Peattie and Morley 2008). For this reason, it is worthwhile looking at different definitions of social enterprise in each individual approach and country in order to understand the diverse characteristics of social enterprise and its geographical origin, as shown in Table 1-1.

Table 1-1 Definition of Social Enterprise by Approach and Region/Country

Approach on SE	Region/ Country	Definition
Innovative Approach	Europe	Firms who seek to enhance the social impact of their productive activities (Kerlin 2006).
		Tackling social needs that are developed as businesses are fostered (Grenier 2003), mainly through nonprofit organizations but also in the for-profit sectors (Nicholls 2006).
	UK	An enterprise ran by a social entrepreneur, an individual who is committed to providing an innovative lasting solution to an unmet social need (UnLtd 2012).
	US	Playing the role of change agents in the social sector by adopting a mission to create and sustain social value, recognizing and relentlessly pursuing new opportunities to serve that mission, engaging in a process of continuous innovation, adaptation and learning, acting boldly without being limited by resources currently in hand, and finally exhibiting a heightened sense of accountability to the constituencies served and for the outcomes created (Dees 1998: 4).
	South Korea	An enterprise seeking an opportunity to solve social problems through business activities. It is called "social venture" since only government certified social enterprises can call themselves social enterprise (Korea Social Enterprise Promotion Agency 2013a).

Non-profit Approach	Europe	Organizations with an explicit aim to benefit the community, initiated by a group of citizens and in which the material interest of capital investors is subject to limits. They place a high value on their independence and on economic risk-taking related to ongoing socio-economic activity (EMES 2012).
	UK	A business with primarily social objectives whose surpluses are principally reinvested for that purpose in the business or in the community, rather than being driven by the need to maximize profit for shareholders and owners (Department of Trade and Industry 2012).
	US	Mission oriented revenue or job creating projects undertaken by individual social entrepreneurs, nonprofit organizations, or nonprofits in association with for-profits (Social Enterprise Magazine Online 2012).
		Any earned income business or strategy undertaken by a nonprofit to generate revenue in support of its charitable mission (Social Enterprise Alliance 2012).
	South Korea	An enterprise certified in accordance with Article 7 as one that pursues a social objective aimed at enhancing the quality of life of community residents by providing vulnerable social groups with social services and job opportunities while conducting its business activities, such as the production and sale of goods and services (Ministry of Employment and Labor 2006).

1.2.2. Origins and Characteristics of Social Enterprise by Country

The exploration of the origins of social enterprises can explain why the definitions and characteristics of social enterprises are so different in each socioeconomic background. Table 1-2 shows the divergences in the economic, political and social backgrounds of social enterprises by region and country. The term social enterprise mainly appeared during the 1990s in Europe and the UK. Alter (2002), however, argues that the term social enterprise was first developed in the 1970s in the US to define those nonprofit business activities which had been started as a way to create job opportunities for disadvantaged groups.

Social enterprises have been supported by government policies in Europe, the UK and South Korea. More specifically, governments adopted policies or acts in order to promote social enterprises because economic growth and employment rates had decreased during this time. Nevertheless, specific strategies and the response of civil societies still differed from country to country. For instance, in the U.S., the social enterprise movement has been promoted by civil society and not by the government.

More specifically, a first notable divergence among countries is given by the amount of public expenditure devoted to promoting social enterprises. Only the Korean government increased its public expenditure to reinforce the social services market in 2006, while in the UK and the US cutbacks were carried out (Department for Work and Pensions 2004; Kerlin 2006). Consequently, social enterprises in South Korea have been hugely developed by the government since 2006. In other countries civil society and voluntary sectors have promoted its emergence, instead. The history of social enterprise from the point of view of governments and civil society will be explained in greater detail in Chapter Four.

Table 1-2 Economic, Political and Social Background of Social Enterprise Origins by Region/Country

		Europe	UK	US	South Korea
Time Period		1990s	1990s	1970s~1990s	Late 1990s~2000s
Main Advocate		EU	Government	Civil Society	Government
Former Organizational Structure		Co-operative	Voluntary Organizations	Non-profit Organizations	1. One-stop Service Center for the Unemployed 2. Self-sufficiency Assistance Policy
Purpose of Promoting SE		Providing 1. Employment 2. Specific Care Services	1. Neighborhood Regeneration 2. Reducing Dependency on state welfare (Department for Work and Pensions 2004)	Revenue Generation by Nonprofit Organizations	Job Creation
Economic Influences	**Economic Growth**	Decreased			
	Unemployment Rate	Increased			

Political Influences	**Key Government Initiative/ Policy**	European Social Fund (Nyssens 2006)	1. Third Way Policy Initiative (1997) 2. Enterprise & Exclusion (1999) 3. Charity Law (2002)	-	1. National Basic Livelihood Security Act (1999) 2. Social Enterprises for Self-sufficiency (SEsS) Initiatives 3. SEPA (2006)
	Legal Body	EU, European Commission	Department of Trade and Industry, Social Enterprise Coalition, Social Enterprise Unit (2002)	-	Ministry of Employment and Labor
Social Influences	**Public Expenditure of Government**	Various by Country	Decreased in the late 1990s	Large cutbacks in federal funding for non-profits in the 1980s	Increased to enforce the social services market in 2006
	Civil Society	EMES Research Network	Establishment of Social Enterprise London (1998)	Private foundation supported development of SE in the 1980s and 1990s	Role of civil society was limited
			Longer tradition of voluntary action (Borzaga 2004)	Social Enterprise Initiative (Harvard Business School 2014)	

The origins and economic, political and social backgrounds of social enterprises have been reflected and discussed also on the basis of this information. Table 1-3 is a revised table from Kerlin (2006) that compares the characteristics of social enterprises by region/country.

Table 1-3 Comparative Overview of Social Enterprise by Region/Country (Revised from a Table in Kerlin (2006: 259))

Characteristics	Europe	UK	US	South Korea
Emphasis	Social Benefit	Social Benefit	Revenue Generation	Job Creation
Common Organizational Type	Cooperative Association	All Kinds of Organizations	Nonprofit (501(c)(3))	Nonprofit
Focus	Human Services	All Nonprofit Activities	All Nonprofit Activities	Human Services
Types of SE	Few	Many	Many	1. Employment Model 2. Social Service Model 3. Local Community Model 4. Combination Model 5. etc
Recipient Involvement	Common	Common	Limited	Common
Strategic Development	EU Government	Voluntary Sectors Government	Foundations	Government
Context	Social Economy	Market Economy	Market Economy	Market Economy
Legal Framework	Underdeveloped but Improving	Developed	Lacking	Developed but has limitations

1.3 Conclusion

This chapter introduces various definitions and organizational forms of social enterprises in different contexts including South Korea, United States, United Kingdom and Europe. The comparison of definitions, origins and characteristics of social enterprises by country shows that the notion of social enterprise emerges as different organizational types with varying emphasis on social and economic objectives and activities under the influence of located contexts and of the main actors' key motivations within different historical backgrounds. The literature review on the variety of social enterprises in different contexts already provides us with a hint, suggesting that a harmonized meaning of social enterprise is hard to achieve regardless of the efforts in achieving a consensus on what social enterprise actually is. Nonetheless, the diversified backgrounds and characteristics of social enterprises leave us with the following research question. How do historical, social, and economic contexts influence the emergence of social enterprise? To this end, I will review how institutional entrepreneurship and social movement can be used in order to elaborate and address this question.

2 An Approach on the Emergence of New Organizational Forms

2.1 Introduction

This chapter will first explore the theoretical backgrounds of the emergence of an organizational form and of the institutional field by relying on a neo-institutional perspective. I will review how previous research tried to integrate social movement theories into an institutional approach in order to study the emergence of a new organizational form through the interactions between different social actors in a changing environment.

In this chapter, I discuss how social actors are influenced by the contexts they are embedded in and compete against each other with their own discourses on the meaning of a specific organizational form in the institution-building process. According to the integrated view of institutional entrepreneurship and social movement theories, institution-building processes are political (Beckert 1999; Levy and Scully 2007). More specifically, the political sides of institution-building processes are explained by focusing on the roles and activities of different social actors, who locate their social positions differently according to their ideology which is in turn influenced by the social conditions they are embedded in. Building on these considerations, I suggest that the integrated view of the institutional entrepreneurship and social movement theories according to a neo-institutional perspective offers an opportunity to analyze institution-building processes which contain multiple socially constructed views, positions and strategies of each actor in the institutional field.

2.2 The Emergence of New Organizational Forms

Although organization theorists have been trying to understand "why and how a new organizational form emerges?", not many studies have been carried out to answer this question (Romanelli 1991; Palmer, Benveniste, and Dunford 2007; Powell, Packalen, and Whittington 2010). The literature on the topic presents a variety of approaches to study the emergence of new organizational forms. However,

the focus of this thesis relies on institutional approaches, as suggested by Jepperson (1991: 145) who saw institutions as "*patterns of social practices for which departures from the pattern are counteracted in a regulated fashion, by repetitively activated, socially constructed, controls – that is by some set of rewards and sanctions.*"

Greenwood and Suddaby (2006: 30) referred to the institutional approach to define an organizational form as "*an archetypal configuration of structures and practices given coherence by underlying values regarded as appropriate within an institutional context.*" This definition implies that an organizational form emerges or is created by institutional logics (Tracey, Phillips, and Jarvis 2011). Accordingly, a new organizational form will gain legitimacy when social actors realize that it corresponds to their interest and values within an institutional context (Rao, Morrill, and Zald 2000; Tracey, Phillips, and Jarvis 2011). Therefore, organizational emergence, change, and organizational structures cannot avoid being influenced by existing institutions and institutional logics (Lawrence 2008). Then, this begs the following question: "*why and how do institutions emerge and change? And how are they related to organizations?*"

Previous studies have reported that the origins of institutions or the way in which they emerge have not been fully studied. According to Powell, Packalen, and Whittington (2010), even traditional approaches to institutional studies – such as the economic and sociological literature – have not focused on the origins of institutions or the way of organizing institutions. Kreps (1990: 530) states that even though the economic literature has investigated the effects of institutions, it still "leaves open the question, where did institutions come from?" Similarly, Barley and Tolbert (1997) mention that the sociological literature has not looked at how institutional arrangements are created. Moreover, in a comprehensive review of organization research, Greenwood et al. (2008: 26) conclude that "institutional studies have not been overly concerned with how institutions arise."

Nonetheless, there have been a number of studies on institutional emergence and change that have attempted to fill this research gap. As a matter of fact, a number of institutionalists have developed the term institutional entrepreneurship to this end (Beckert 1999; Hwang and Powell 2005; Maguire, Hardy, and Lawrence 2004; Hardy and Maguire 2008). Some authors have introduced social movement theories

into neo-institutionalism in order to investigate how institutions emerge and change (McCarthy and Zald 1977; McAdam, McCarthy, and Zald 1996). Institutional entrepreneurship explains the institutional process by focusing on the role of institutional entrepreneurs and their activities with their own strategic objectives. Similarly, institutionalists who integrated social movement theories into neo-institutionalism also emphasize the role of institutional entrepreneurs and their strategies as a new organizational form emerges through the collective actions and contentions of actors (Rao, Morrill, and Zald 2000).

In the upcoming sections, I will introduce how institutional entrepreneurship and social movement theories explain the emergence of a new organizational form based on the neo-institutional perspective. I will also explain the strengths, weaknesses and differences between the two approaches in order to emphasize the potential theoretical effect of the combined approaches.

2.1.1. Institutional Entrepreneurship

The origins of the term institutional entrepreneurship are rooted in the neo-institutional perspective. For this reason, this section first describes how institutionalists have changed their research interests over time and how institutional entrepreneurship presents views on institutional emergence and changes which differ from other approaches.

In earlier institutional research, the main research interests of institutionalists were represented by the theories of isomorphism, diffusion, or path dependence. These authors would often provide ad hoc explanations to the emerging process of a new organizational form in order to increase the consistency of their theories with their explanations (Greenwood and Hinings 1996; Clemens and Cook 1999; Campbell 2004; Streeck and Thelen 2005; Schneiberg 2007). However, more recently researchers have revised "their conception of fields and their views of action" (Schneiberg and Lounsbury 2008: 650). For example, according to some recent scholars, institutional fields consist of multiple logics, indeterminacy, ambiguities or contradictions (Scott et al. 2000; Stryker 1994; Seo and Creed 2002; Schneiberg 2007; Lounsbury and Crumley 2007; Marquis and Lounsbury 2007). Other scholars, instead, focus on agency, that is the social actions that create, reproduce, and change

institutions (Zilber 2002: 236), and have developed the terms institutional entrepreneurship (Beckert 1999; Hwang and Powell 2005; Maguire, Hardy, and Lawrence 2004; Hardy and Maguire 2008) and institutional work (Lawrence and Suddaby 2006).

Among these works, the term "institutional entrepreneurship", which is the theoretical basis of my thesis, explains how institutional work occurs in the emergent process of a new organizational form. More precisely, institutional entrepreneurship has been defined as:

"*the activities of actors who have an interest in particular institutional arrangements and who leverage resources to create new institutions or to transform existing ones*" (Maguire, Hardy, and Lawrence 2004: 657).

The institutional entrepreneurship approach contributes to explaining the fact that institutionalization processes can vary depending on which actors are involved and with what kind of interests, activities and strategies. This approach, which allows for the existence of multiple actors and institutional logics, has been developed on the basis of the neo-institutional perspective with the purpose of addressing the limitations of early institutionalism. In the following section, I will compare early and neo-institutionalism in order to outline and explain the background in which institutional entrepreneurship emerged.

First of all, it is important to highlight that the institutional entrepreneurship approach emphasizes the role of individuals and organizations, which are known as institutional entrepreneurs, in the structuring of institutional work (Lawrence and Suddaby 2006). Unlike early institutionalism studies which emphasized the way in which institutional mechanisms influence organizational structures and activities, according to the neo-institutional perspective the role of actors is central to legitimize the theory and values of a new organization form. Institutional entrepreneurs more specifically identify in the institutional structures themselves an opportunity for the emergence of a new organizational form with sufficient resources (DiMaggio 1988: 18). Moreover, according to Lawrence and Suddaby (2006: 215) institutional work occurs when individuals and organizations need to establish a new type of organization from consolidated logics by creating, maintaining and disrupting institutions (Tracey, Phillips, and Jarvis 2011: 60).

The role of institutional entrepreneurs within institutional entrepreneurship is crucial because they are the main actors of the institutional process of a new organizational form which is affected by their own strategic objectives. More specifically, institutional entrepreneurship emphasizes that organizations emerge when an institutional entrepreneur combines multiple institutional logics (Tracey, Phillips, and Jarvis 2011: 60). Similarly, Suchman (1995: 574) states that the legitimization of an organizational form is "a generalization process of perception or assumption that the actions of an entity are desirable, proper and appropriate within some socially constructed system of norms, values, beliefs and definitions." Therefore, a new organizational form can be legitimated by institutional entrepreneurs within an institutional context where the new form can be viable (Greenwood and Suddaby 2006: 30).

Secondly, the activities performed by actors are also important according to the institutional entrepreneurship approach. As a matter of fact, both neo-institutionalism and early-institutionalism highlight the importance of the "activities" of actors. Yet, in the institutional entrepreneurship approach, the activities of actors can be diversified on the basis of the actors' interests and resources.

Thirdly, because neo-institutionalism acknowledges the existence of various actors and activities, it also makes a distinction with regard to conflict. Early institutionalism emphasizes conflicts of interest within organizations because it focuses on the institutionalization of organizations. On the contrary, neo institutionalism places greater emphasis on "how organizations *respond* to such conflicts by developing highly elaborate administrative structures" (DiMaggio 1991: 11). According to DiMaggio (1991: 12), early institutionalism identifies the sources of constraints as outcomes of "the vesting of interests within organizations as a result of political trade-offs and alliances" of. By contrast, neo-institutionalism considers the relationship between stability, legitimacy and the power of "common understandings that are seldom explicitly articulated" as sources of constraints (Zucker 1983: 5). Therefore, more importantly, a new form needs to be legitimated and taken-for-granted as a social factor by other powerful actors in order to attract resources and gain power (Meyer and Rowan 1977; DiMaggio 1988; Hannan and Carroll 1992; Aldrich and Fiol 1994; Baum and Powell 1995; Fligstein 1996; Powell 1998).

The institutional processes of a new organizational form in which different actors involved are considered as a political process because actors have different objectives, strategies, and perceptions and compete against each other in order to gain power (Beckert 1999; Levy and Scully 2007). During this process of legitimation, conflicts can occur while institutional entrepreneurs need to blend the key elements of different logics (Tracey, Phillips, and Jarvis 2011). However, the presence of conflict and of a diversity of organizational forms between different actors can also represent a positive way of triggering changes in the way institutional entrepreneurship is perceived (Romanelli 1991). As mentioned by Rao and Kenney (2008), conflict is a precursor of the institutionalization of new organizations because it de-institutionalizes existing forms of organizations. Therefore, a maintained or increased diversity determined by conflicts introduces a new organizational form in a changing environment (Romanelli 1991: 80).

Neo-institutionalists explain the presence of struggles as competing institutional logics (Thornton and Ocasio 2008). Institutional entrepreneurship, in particular, states that these struggles are enacted during the institutional-building process when actors take actions over their interests, recourses, and norms (Rao, Morrill, and Zald 2000). Because actors' interests, norms and resources in themselves differ in their social positions, struggles are frequent in the process of connecting each other's interests and activities (Maguire, Hardy, and Lawrence 2004).

Prior institutional studies focused on discourse to investigate the struggles between actors in different social positions while trying to build institutional arrangements. However, the discourse literature often looks only at one aspect of the relationship between power and discourse to explain how particular discourses produce systems of power (Hardy and Phillips 2004). Not much literature has focused on how a dominant discourse can be contested by social actors who do not partly or fully agree with the dominant discourse. More details on how discourse and discourse analysis can be used to study struggles between actors in the institutional fields are reviewed in Chapter Three.

Finally, an organization form is not always created as a new form, but it may develop from the transformation or imitation by existing organizational forms when external contingencies change (Scott 1987). Therefore, this view highlights the role

of historical continuities in an organizational form that retains a shared understanding from previous organizational forms. Consequently, institutional entrepreneurs' strategies which compete and legitimate institutions and their development have also been considered to be an important research topic (Zilber 2002; Maguire and Hardy 2006).

2.1.2. The Integration of Social Movements into Neo-institutionalism

Many scholars have recently tried to combine social movement and organization research in order to address the question "to what extent, do social movements promote institutional diversity and alternative organizational forms?" (Clemens and Cook 1999; Davis and Thompson 1994; Davis and Zald 2005; Fligstein 2001; Haveman, Rao, and Paruchuri 2007; Lounsbury, Ventresca, and Hirsch 2003; Minkoff 1994; Rao 1998; Schneiberg and Lounsbury 2008: 635). The attempt to combine social movement theory and institutionalism is relatively new as it emerged mainly in the early 2000s in order to explain institution building, deinstitutionalization, and reinstitutionalization in organizational fields (McAdam and Scott 2005; Rao, Morrill, and Zald 2000). The key link between social movements and neo-institutionalism is that they both consider institutional processes as political processes. In other words, different actors in different social positions compete with one another by means of different strategies in order to gain more power in the institutional field (Schneiberg and Lounsbury 2008).

Fligstein (1996) and Rao (1998) argue that the emergence of new forms resembles social movement processes. According to Fligstein (1996), movements arise within institutions or fields. These movements occur when actors try to diffuse alternative practices by using established networks and resources and to create new systems by relying on existing institutional elements and models. For institutionalists, an organizational form emerges or is transformed when movements are engaged in institutional processes or when they oppose existing schemes, generating legitimacy crisis, or disrupting existing institutions (Schneiberg and Lounsbury 2008). According to this view, movements are regarded as channels to articulate and combine new projects with dominant models and which drive organizational

emergence or change through the "diffusion, theorization, recombination and other institutional processes within fields" (Schneiberg and Lounsbury 2008: 654).

The role of actors and institutional entrepreneurs[3] is important in the social movement approach as well as in the institutional approach. Rao, Morrill, and Zald (2000) posits that a new organizational form emerges through collective actions and contentions while institutional entrepreneurs push their own definitions and schemata in order to build a shared understanding of an emerging organization. Similarly organizational institutionalism emphasizes the role of institutional entrepreneurs who "define, justify and push the theory and values underpinning a new form" (DiMaggio 1988: 18). Meanwhile, the social movement perspective highlights the existence of "certain conditions" that enable the emergence of a new organizational form (Rao, Morrill, and Zald 2000). Thus, activists form collective actions only under certain conditions in order to achieve the goals of their activities and to construct the boundaries around such activities (Rao, Morrill, and Zald 2000: 241).

Consequently, the role of institutional entrepreneurs has taken the form of a bridge linking social movements and neo-institutional perspectives with politics and collective mobilization acting as triggers of change. Both social movements and neo-institutional perspectives have in common the importance placed on "agency, strategic action, and self-conscious mobilization around alternatives" (Schneiberg and Lounsbury 2008: 649). Also, they both try to address the role of actors embedded within institutions, of how institutions can drive change and of how actors use the elements or contradictions of existing institutions to craft new organizational forms (Schneiberg and Lounsbury 2008: 649).

Social movement theories, such as framing and bricolage, have been adopted in organizational studies to explain how institutional entrepreneurs mobilize resources, such as personnel and finances, and recombine the existing elements of an institution in order to form a new organization (McAdam, McCarthy, and Zald 1996; Rao and Kenney 2008). Although the social movement perspective emphasizes the conditions promoting the collective actions which create or change the situation of the organizational field, the role of institutional entrepreneurs is also important in framing theory. The reason for this is due to their mobilization of resources and the

[3] Not every actor becomes an institutional entrepreneur according to this view.

development of frames which construct the boundaries and purposes of their activities (Rao 1998).

More specifically, institutional entrepreneurs develop frames when they find a niche space which is still undefined or defined by a broad range of definitions of situation (Rao 1998). Institutional entrepreneurs typically bring with them incompatible frames (Bogaert, Boone, and Carroll 2006) that can compete with existing frames depending on their own strategies to exercise power and influences (Pfeffer 1992). Therefore, the selection of a frame is a political activity especially when multiple frames have been formed (Rao and Kenney 2008). Conflict occurs while these multiple frames and forms compete with each other to be selected. When the state and practitioners are involved in this process, these conflicts and struggles between frames in order to produce a shared meaning and new social structure can trigger social changes (DiMaggio and Powell 2000).

Given that struggles are explained as competing institutional logics in institutional studies (Thornton and Ocasio 2008), a social movement perspective has also been adopted to explain the institutional changes which take place throughout these struggles. Schneiberg and Soule (2005: 122) claim that institutionalization is a "product of constitutional struggles." For example, Rao, Monin, and Durand (2003) present how existing institutional logics can be contested and reinstitutionalized. By defining social movements as "collective challenges to authority in political and cultural domains that endeavor to affect change at various levels of social life" as emphasized by Snow (2004), Rao, Monin, and Durand (2003) show how social movements affect reinstitutionalization especially in the French culinary world in the 1970s.

2.1.3. Role of Social Movements in Institutional Fields

According to Schneiberg and Lounsbury (2008), there are two approaches regarding the role of social movements in institutional change as shown in Table 2-1. Schneiberg and Lounsbury (2008) differentiate between movements as an extra-institutional force and movements as an intra-institutional force. In summary, they highlight that movements against institutions are from the outside when the field has

recently emerged, while in the case of mature institutional fields they arise from within (Schneiberg and Lounsbury 2008).

These approaches bring the assumption that institutional entrepreneurs change their views and strategies against each other in ongoing institution-building processes. Another related assumption is that extra-institutional entrepreneurs possibly become intra-institutional entrepreneurs as the fields have matured. Therefore, these two approaches are useful to analyze how institutional entrepreneurs change their views, interests and strategies over time especially when outside actors as extra-institutional forces become the inside actors as intra-institutional forces while institutional fields mature over time.

The first approach considers movements as forces from the outside against institutions, which directly contest existing institutional arrangements for change or new path creation (Schneiberg and Lounsbury 2008). This approach is at the basis of the two-stage model of institutionalization which considers new paths or fields as emerging from a 'bottom-up' process (Schneiberg and Lounsbury 2008: 653):

"*1) organizations or states adopt structures or policies in response to local problems, politics or characteristics, which then spark 2) processes of mimesis, theorization and diffusion, eventually crystallizing a broader community of practice around a core set of principles or models*" (Tolbert and Zucker 1983; Baron, Dobbin, and Jennings 1986; Galaskiewicz and Wasserman 1989; Strang and Chang 1993).

Although these models offer some important insights into studies on institutional processes, very little is known about the origins of new ideas and practices, the sources of disruption, and the key players and processes which are involved (Schneiberg and Lounsbury 2008).

Table 2-1 Extra and Intra-institutional Force Approaches

	Extra-institutional force approach	Intra-institutional force approach
Problems	Local problems, politics or characteristics	Existing institutions or taken-for-granted understandings
Process of institutionalization	Interaction between contestation and mobilization around alternatives	Mobilizing insiders and outsiders, using established networks and resources
Movements start from	Outside fields	Inside fields
Actors	Multiple	Multiple
View on institutions	Political settlements	Bricolage
Outcome	Theorization and diffusion, eventually crystallizing a broader community of practice around a core set of principles or models (Tolbert and Zucker 1983; Baron, Dobbin, and Jennings 1986; Galaskiewicz and Wasserman 1989; Strang and Chang 1993). New path creation (Schneiberg and Lounsbury 2008).	Theorization, articulation and combination of new projects or practices with prevailing models and arrangements (Greenwood et al. 2008). Path creation or change as reconfiguration, recombination or layering (Schneiberg and Lounsbury 2008: 657).

The second approach considers movements arising within institutions or fields (Schneiberg and Lounsbury 2008). In this case, movements make use of already established networks and resources as well as mobilizing insiders and outsiders in order to diffuse alternative practices (Schneiberg and Lounsbury 2008: 656). According to this approach, since movements are seen as agency embedded in institutional fields, they can emerge in order to not only directly contest existing institutions and taken-for-granted understandings, but also "to theorize, articulate and combine new projects or practices with existing institutional arrangements" (Schneiberg and Lounsbury 2008: 656). Thus, multiple practices or collective actions can emerge in this process, blurring boundaries between "'extra-institutional' and 'institutional', 'mobilization' and 'self-reproducing' process, or 'contentious' versus

'conventional politics'" (Schneiberg and Lounsbury 2008: 656). The acknowledgement of multiple logics or models in the field implies that actors from the outside or the inside can take on different strategies for mobilizing resources, collective actions, negotiation, and framing issues to claim their views.

Schneiberg and Lounsbury (2008)'s efforts on connecting institutional theory and social movements together influenced other researchers who started to study how different actors interact with each other to bring new logics into the existing institutional field. Moreover, their research provides valuable insights for institutional researchers to study politics, collective actions, and power in institutions (Micelotta, Lounsbury, and Greenwood 2017). For example, some studies found that not only powerful actors, but also powerless actors can make institutional changes by disrupting powerful institutions (Maguire and Hardy 2009; Zietsma and Lawrence 2010; Furnari 2016). Moreover, some scholars investigated the role of extra- and intra-institutional actors in institutional changes by using the framework developed by Schneiberg and Lounsbury (2008). Furnari (2016) claims that institutional changes led by powerless actors who come from the outside of the field are likely to be radical, because dominant actors in the field would be de-legitimated.

Meanwhile, Carberry et al. (2017) focused more on whether external or internal institutional forces are more influential for firms when adopting field-level challenges. They found that Corporate Social Innovation (CSI) emerges through the interactions between actors with "conflictual and collaborative (p.5)" relationships. Moreover, they found that contested practices raised by activists are often adopted at the early stage of legitimation, but later adopters of the field look for alternative practices or pressures. In other words, extra-institutional forces tend to become more influential while extra-institutional actors become less influential when they are intra-institutional actors.

2.3 Conclusion

In this chapter, I reviewed the literatures and discussions on the emergence of new organizational forms by using both institutional entrepreneurship and social movement theories integrated into neo-institutionalism. This review found that the

emergence of new organizational forms as institution-building processes are by nature political since they emphasize the struggles between dominant and subordinated social actors to sustain or push their social positions higher by strategically presenting their own understandings on an organization or institutional field. Social actors – individuals and groups – who identify a need to build a new organizational form or transform the previous organizations are influenced by the social conditions they are in. Therefore, changes of social conditions are key to analyzing how each social group and their activities related to institutional building processes differ one from the other. Moreover, changes of social conditions influence social actors who go through different experiences and have different understandings on the social issues that in turn shape ideologies. Thus, socio-political conditions work as triggers of change that influence actors in the shaping of their ideologies based on their experiences, knowledge and understanding of the world.

However, there are some research gaps to be filled. First, although many researchers have studied either how movements or existing dominant institutional structures as political forces promote a new organizational form (Lounsbury, Ventresca, and Schneiberg 2002; Schneiberg and Lounsbury 2008; Soule 2012), research has not focused to date on their relationships and interactions between multiple actors. Research on how different actors as political forces mobilize strategies to create political contexts in order to obtain favorable outcomes in institutional fields will provide an advanced understanding of institutional processes at the field-level according to a multi-level perspective.

Second, there is a lack of studies on the role of extra/intra actors or movements in the institutional building processes from a historical perspective (Schneiberg and Lounsbury 2008). Studying how extra/intra actors interact with each other, how they articulate each other's ideologies and discourses, and how these movements affected changes of the institutional fields, are all questions which will lead to the identification of historical trajectories of change (Schneiberg and Lounsbury 2008).

Third, although studies on social movements and neo-institutionalism have mainly relied on qualitative and historical methods, attention has not been adequately paid to the multiple factors that influence, disrupt and create the new paths of the structuring of institutions (Schneiberg and Lounsbury 2008). In order to fill this

methodological gap and to cover multiple perspectives on institutional building processes, I will use multiple data resources such as newspaper coverage, public hearings, meeting minutes and interviews.

3 How Language Works in Institutional Processes - Meaning, Discourse and Institutionalization

3.1 Introduction

In the previous chapter, I described why and how this thesis considers institutional processes as political processes where different actors compete against each other in order to gain more power by legitimating their social positions. In doing so, another relevant question arises: "*how then do we know that the institutions or institutional fields have gained legitimacy?*"

Many scholars have tried to answer this question by relying on discourses, which are "*socially structured collections of texts that exist in a particular field and that produce the social categories and norms that shape the understandings and behaviors of actors*" (Phillips and Hardy 2002: 638). The first to do so was Astley (1985: 497) who claims that "knowledge is the product of social definition", influenced by institutional mechanisms. Later, inspired by Wittgenstein, Astley and Zammuto (1992) and Mauws and Phillips (1995) raised the issue of our knowledge of organizations being the result of linguistic conventions. This view implies that "the language helps to bring the phenomena into being": "researchers see the world through the lenses of social theories, and social theories are built borrowing actors' categories and meanings" (Ferraro, Pfeffer, and Sutton 2005: 8). Therefore, for these authors, knowledge is socially constructed (Brown and Duguid 1991, 2001; Tsoukas 1996), which means that the institutional, social and political process influences the construction of knowledge (Calas and Smircich 1999).

Zilber (2002) emphasizes the fact that institutions can be understood through "the development of shared definitions or meanings that are linked to habitualized actions developed and adopted by actors" (Tolbert and Zucker 1996: 180), influenced by Dobbin (1994: 228): "social practices become institutionalized only insofar as they achieve collective meaning." Similarly, according to the neo-institutionalist view, institutions are the products of social interactions between different actors who negotiate their understandings. Therefore, actors who successfully forced their understanding into truth gain more power and dominance

(Zald 2002: 237). This truth can be shown as the dominant or official meaning, and the meaning and actors' understandings obviously appear on the texts they produce (Phillips and Hardy 2002; Zald 2002). Therefore, in this chapter I will introduce what discourse can accomplish in the institution-building processes by focusing mainly on how discourse and discursive strategies reflect actors' understandings of the society.

3.2 Discourse and Discourse Analysis in Organizational Studies

Discourse and discourse analysis are useful to examine how a new organizational form is produced, maintained and transformed as an institutionalization phenomenon on the basis of social movements integrated within the institutional perspective. Discourse analysis can explain how socially constructed ideas and objects constitute organizations, institutions, and the social world (Phillips, Lawrence, and Hardy 2004). Therefore, the theoretical framework of discourse analysis is useful to understand socially produced organizational and inter organizational phenomena (Phillips, Lawrence, and Hardy 2004).

Research interests concerning discourse and discourse analysis in organizational studies have increased since 1990s. However, some authors (Grant, Keenoy, and Oswick 1998; Keenoy, Oswick, and Grant 1997) mention that there is no agreed upon definition of discourse. As a matter of fact, many scholars have tried to explain different approaches to discourse in organization studies depending on domains, methodological and epistemological perspectives or discursive perspectives (Keenoy, Oswick, and Grant 1997; Potter 1997; Alvesson and Karreman 2000; David Grant 2004).

For instance, Keenoy, Oswick, and Grant (1997) distinguished discourses depending on how authors use and see discourses. According to Keenoy, Oswick, and Grant (1997), researchers use discourses as a device to make linguistic sense of organizations and organizational phenomena, and they present a narrow focus on the text per se. Alternatively, some researchers see discourses in contexts where the ambiguities of social constructions and the indeterminacy of organizational

experiences are revealed, and researchers in this position try to include social and political dimensions in addition to the discursive ones.

Interestingly, as presented in Table 3-1, Potter (1997) suggested the existence of five versions of discourse analysis depending on different views: generic view, linguistic view, cognitive view, standard Foucauldian view, and institutional view. The first three versions of discourse analysis focus more on the text per se, while the latter two versions place greater emphasis on social structures and on the use or effect of discourse in social reality (Alvesson and Karreman 2000). Therefore, generic, linguistic and cognitive views on discourse analysis barely attract organization theorists since they are more interested in understanding various organizational phenomena (Alvesson and Karreman 2000).

Table 3-1 Potter's Five Versions of Discourse Analysis (1997)

Generic view	All research concerned with language in its social and cognitive context.	(Brown and Yule 1983; Van Dijk 1985; Coulthard 2014)
Linguistic view	A description for studies focusing only on the linguistic units above the level of the sentence.	(Stubbs 1983)
Cognitive view	The correct term for research concerned with cohesion and connectedness across sentences or turns of talk.	(Tannen 1984; Van Dijk, Kintsch, and Van Dijk 1983)
Standard Foucauldian view	To cover developments stemming from structuralism and semiotics.	(Foucault 1971; Pêcheux and Nagpal 1982)
Institutional view	Analysis of what people do with language in specific social (institutional) settings.	(Potter 1997)

In addition, Alvesson and Karreman (2000) define two major approaches to discourse in organization studies as shown in Table 3-2: the study of the social text and the study of social reality. Researchers, who approach discourse in organization studies as the study of the social text, consider discourse as talk and written text in its

social action contexts. Therefore, they focus on the talked and textual nature of everyday interactions in organizations. Other researchers, who consider discourse in organization studies as the investigation of social reality, explored how discourse shapes social reality through language. For them, since social reality is discursively constructed and maintained, the emphasis is very much "on the determination of social reality through historically situated discursive moves" (Alvesson and Karreman 2000: 1126).

Table 3-2 Two Major Approaches to Discourse in Organization Studies adopted from Alvesson and Karreman (2000)

	The study of the social text	**The study of social reality**
Discourse	Talk and written text in its social action contexts.	The shaping of social reality through language.
Emphasis	The talked and textual nature of everyday interactions in organization.	The determination of social reality through historically situated discursive moves.
View on discourse	General and prevalent systems for the formation and articulation of ideas in a particular period of time.	Local achievements, analytically distinct from other levels of social reality, and with little or no general content.

Alvesson and Karreman (2000)'s two major approaches to discourse in organization studies show that organizational studies can be valuable also in the field of linguistics. When organization theorists study discourse as social text, their research interest concerns how individuals position themselves and interact based on their social roles in a certain institutional setting (Agar 1985; Silverman 1997; Thornborrow 2014). This research area is included in the field of institutional discourse. Although there is no agreement on the definition of institutional discourse yet (Thornborrow 2014), task-, role-, or goal-based activities are mainly involved when at least one participant who represents a formal organization encounters another person who seeks its services (Agar 1985; Heritage and Sefi 1992). This kind of discourse is characterized as institutional discourse that is usually analyzed using conversation analysis method (Thornborrow 2014).

Maguire and Hardy (2006) focused on the role of discourse in the institutional structuring process. According to Maguire and Hardy (2006), a new discourse creates new opportunities for actors, enabling them to be involved in institution-building activities. Actors as institutional entrepreneurs produce and distribute texts using legacy and new discourses in order to influence the institution-building process and its outcomes (Maguire and Hardy 2006). Therefore, for them, discourse is a system of texts that brings an object into being (Parker 2014) and the foundation of the process of social construction upon which social reality depends (Berger and Luckmann 1991).

3.3 Discursive Strategies in Institution-building Processes

I adopt a discursive approach on discourse in order to capture the struggles over the meaning of social enterprise between different actors. According to this approach, different social actors can implement different strategies based on their positions and own interests in order to legitimate the claim they made against the legacy discourse (Maguire and Hardy 2006). Discursive approach is useful to explain the struggles between different actors in order to sustain their social positions or to negotiate the meaning of an organization by integrating social movement theories into neo-institutionalism.

Maguire and Hardy (2006) discuss institution-building activities with an approach on discourse – also known as discursive strategies. Actors adopt discursive strategies with their discourse in order to take power or occupy a dominant position. Hardy and Phillips (1999: 6) explained discursive strategies as follows: "*that actors in a particular institutional field draw strategically on broader discourses in ways that contribute to the production, modification and dissemination of field-specific discourse.*"

More specifically, larger institutional and societal contexts influence actors when building or taking on a discursive strategy (Hardy and Phillips 1999). This is related to the view according to which discourse is produced within the context and therefore has to be understood within such context (Fairclough 1997; Van Dijk 1997). As a matter of fact, different discourses shape meanings differently based on their

elements: *object; key concepts; key subject positions; and conditions of possibility,* along with the social conditions which affect the construction of elements of discourses (Maguire and Hardy 2006). Therefore, this discursive strategy approach enables researchers to look at the "moments" in the history of a certain institution-building or meaning-making process.

Actors strategically use discourses that are consistent with their interest and use different strategies to push their own discourses by authoring texts (Hardy, Palmer, and Phillips 2000; Maguire and Hardy 2006). Importantly, they do not completely reject other discourses, but they try to *challenge, reconcile or invoke* other discourses (Maguire and Hardy 2006). Therefore, Maguire and Hardy (2006) argue that actors involved in the meaning making process in order to construct sustainable and preferred meanings, use different strategies and different discourses to achieve their ends but not to reject others.

This institution-building process is an ongoing process where actors discursively struggle especially when power relations are fixed (Van Dijk 1997). This is related to the characteristic of dominant discourses which are unchallengeable. Dominant discourses always try to keep their power and dominance regardless of the claims raised by other competing discourses (Van Dijk 2008). This characteristic implies struggles between different actors who are pushing different meanings, and allows social actors to develop strategies in order to continuously negotiate the meaning (Van Dijk 2008).

With regard to the previous point, Karim (1993)'s five kinds of discourses can be useful to identify discourses in power relations and social actors' strategies when taking on different discourses in an institutional building process. Karim (1993)'s division of discourses: dominant discourse; official discourse; oppositional discourse; alternative discourse and populist discourse was inspired by Schlesinger, Elliot, and Murdock (1984) and Williams (1985).

Dominant discourse is not monolithic and static but reflects the "ever-changing structure of power" (Karim 1993: 192). Therefore, a dominant discourse is shaped by the interactions between actors in power relations that are changing over time. A dominant discourse reflects the dominant definitions of the situation where the existing structures of power and social conditions are embedded. However, a dominant discourse does not necessarily need to be an official discourse (Williams

1985). An official discourse represents the views, arguments, explanations and policy suggestions provided by the state, which appears for instance in legislations and in other government regulations (Schlesinger, Elliot, and Murdock 1984).

An oppositional discourse criticizes a dominant discourse and its viewpoints, and resists against the hegemony of the dominant discourse. Differently from oppositional discourses, a discourse is considered to be alternative when it does not share the same viewpoint with dominant discourses (Karim 1993). Lastly, a populist discourse has a conservative tendency similar to dominant discourses, but its voice, manners, and viewpoints are much more extreme, such that is not usually adopted by the state (Schlesinger, Elliot, and Murdock 1984).

3.4 How Ideology is Reflected in Discourse

In the previous sections, I have reviewed how institutional entrepreneurs' interests and objectives are represented through the discourses they push throughout the institutional building processes, and how they discursively but strategically use discourses which integrate social actors' knowledge and understandings on social issues. As emphasized in the earlier sections of this thesis/chapter, the role of actors such as social groups are important in both institutional entrepreneurship and social movement theories, because they are the actants who perceive the social issues which need to be sorted out and who act on the basis of their perception and decisions.

The theory of ideology, which is the key to explaining how and why actors perceive, understand, and interpret social conditions and social issues and take different social positions, cannot be ignored when exploring the backgrounds of the struggles between actors located in different social positions. Ideologies are organized by "*social and personal cognitions, accumulated experiences, personal beliefs and principles, motivations and emotions*" (Van Dijk 1995: 142). These characteristics of groups or people, constructed within socio-political contexts and the positions they are located in, can be expressed through text or talk in order to defend or legitimate their positions.

Therefore, I am able to state that ideologies are reflected in text or talk because language users such as communities, groups, or organizations' members from a certain social position actually produce the language they use. Van Dijk (1995: 136) emphasizes that these discourse production activities may take place in order to "sustain or challenge social positions." During this process of sustaining or challenging, groups discursively exchange their opinions by developing and pushing their own discourses. Hence, ideologies are key to explaining why different actors take different social positions on certain social issues.

Although this study focuses on the role of social groups consisting of individuals who share the same purpose and the sense of solidarity, I also focus on personal experiences as an important factor which influences social groups' ideologies. Because social groups' ideologies are basically a collection of personal ideologies but with people who share the same purpose and a similar view on social issues. Different ideologies may overlap in a group as it is the outcome of the combination of different personal ideologies (Van Dijk 1995). Therefore, the ideologies of each social group may not be completely different or contest each other since there may be some overlapping features between them. In the next section, I will review the theory of ideology and make a theoretical link between ideology and discourse based on the combined view of institutional entrepreneurship and social movement theories according to a neo-institutionalist perspective.

3.4.1 Discourse, Ideology and Power

Many scholars in social science have discussed what ideologies are by relying on different approaches. One of the traditional approaches to ideologies is influenced by Marxism and has been mostly developed by Larrain (1979). Larrain (1979) divided ideology into two conceptions, a positive and a negative one. The negative conception of ideology emerges from Marx's "language of real life" which explains ideology as false consciousness. According to Marx's view, subordinate classes develop and express their ideas not on the basis of their own interests, but of the dominant material relations and interests. This, however, also entails a possible misunderstanding or misinterpretation of the social reality in which they are actually embedded in. Moreover, Purvis and Hunt (1993: 478) named the negative conception

of ideology as a critical conception of ideology because "negative sounds too value laden" and the directionality of ideology which favors some over others related to social relationships between dominant and subordinate classes or groups.

On the other hand, Purvis and Hunt (1993) described the positive conception of ideology as the sociological conception of ideology which emphasizes the struggles and contentions between different social position of classes, groups or agents. Both conceptions of ideology consider past experiences as important since they shape the notion of common sense and conscious.

Although these conceptions of ideology focus on the different notions of ideology, all ideologies are defined based on the assumption that they are shaped within social and political circumstances and groups or personal knowledge and experiences. Researchers define ideologies simply on the basis of these assumptions that ideologies are "some kind of ideas" which are "*belief systems that are at the basis of the socio-political cognitions of groups*" (Lau and Sears 1986; Rosenberg 1988; Van Dijk 1995: 116).

Therefore, different social groups with a different basis of the socio-political cognition present different opinions on social issues and take up different social positions. According to this conception of ideology, both dominant and subordinated groups have ideologies whose attitudes and knowledge are organized on the basis of their experiences and of the socio-political conditions they are located in.

These different positions, opinions, or interpretations can cause conflicts between different groups because they present different goals, norms and values, resources, identity and activities (Van Dijk 1995: 140). They may also entail resistance and changes initiated by the dominated groups. Spicer and Böhm (2007) explained that resistance takes place in multiple ways by means of social movements in their research on how discourses of management are resisted. Here, social movements take the role of "central agents of resistance" (Laclau and Mouffe 2001). More specifically, the most broadly accepted definition of social movement is given by Tarrow and Tollefson (1994: 3-4): "*collective challenges by people with common purposes and solidarity in sustained interaction with elites, opponents and authorities*." This definition differs from the Foucauldian approaches on resistance which emphasize informal micro-politics (Spicer and Böhm 2007). According to Foucauldian approaches, resistance, which is "the constant process of adaptation,

subversion and re-inscription of dominant discourses", takes place as "individuals confront, and reflect on, their own identity performance, recognizing contradictions and tensions and, in so doing, pervert and subtly shift meanings and understandings" (Thomas and Davies 2005: 687).

Social movements emphasize the following key notions: 1) collective challenges over individuals' confrontations; 2) chains of equivalence, defined by Laclau and Mouffe (2001) as those which engage different groups in struggles based on common purposes and senses of solidarity; 3) long term interactions with dominant groups rather than short and sporadic interactions. The emphasis of social movement is on the analytical framework provided by Laclau and Mouffe (2001) influenced in turn by Gramsci, Nowell-Smith, and Hoare (1971)'s work on hegemony. More specifically, Laclau and Mouffe (2001: 7) consider resistance as a hegemonic struggle defining hegemony as a "unity existing in a concrete social formation." When hegemony is achieved by a particular social force which represents totality, struggles and also possible collective activities can take place between different groups (Laclau and Mouffe 2001). According to Laclau and Mouffe (2001), these different groups can share the same purposes and build solidarity between them. Social movements can articulate or connect different groups who struggle against each other over hegemony (Laclau and Mouffe 2001). However, different groups may take on different strategies to contest hegemony because they may have different ideologies shaped by different cognitions and past experiences.

Spicer and Böhm (2007) connect Laclau and Mouffe (2001)'s framework on resistance and power to discourse based on Parker (2002)'s work. According to them, a discourse can replace a group in Laclau and Mouffe (2001)'s work as follows: "*the single discourse of management has been articulated or linked with a remarkable range of other discourses ranging from medicine to public administration to development. The result is that this particular discourse has assumed a certain hegemonic totality*" (Spicer and Böhm 2007: 1672). That is, discourses developed by different social groups collaborate or compete against each other in opposition to hegemonic discourses. These discourses can be articulated in diverse struggles (Willmott 2005: 772) and previous studies have acknowledged this process as social movements (Willmott 2005; Laclau and Mouffe 2001; Spicer and Böhm 2007).

With regard to the notion of ideology, typical concepts are related to the ways in which forms of consciousness in people are identified and how these forms of consciousness generate conflicts of interests and struggles between different people or groups (Purvis and Hunt 1993). Therefore, ideology reflects certain people's or groups' interests and forms of consciousness.

More specifically, ideologies are organized by "social and personal cognitions, accumulated experiences, personal beliefs and principles, motivations and emotions" (Van Dijk 1995: 142). These characteristics of groups or people are constructed within the socio-political contexts and positions they are located in and can be expressed through text or talk in order to defend or legitimate their positions. Therefore, we can say that ideologies are reflected in text or talk because language users such as communities, groups, or organizations' members from a certain social position produce the language they use. Van Dijk (1995: 136) emphasizes that these discourse production activities may take place to "sustain or challenge social positions." Throughout this process of sustaining or challenging, groups discursively exchange their opinions by developing and pushing their own discourses.

Given the above considerations, the discursive structures and strategies reflecting group members' ideologies are involved in this process of structuring discourses and exchanging discourses (Van Dijk 1995). For this reason, in order to analyze the discursive structures and strategies, Van Dijk (1995) developed a theoretical framework influenced by intergroup theory, theories of stereotyping and social cognition research (Fiske and Taylor 1991; Hamilton 1981; Semin and Fiedler 1992; Turner, Turner, and Giles 1981).

According to Van Dijk (1995)'s framework (1995), social groups develop and push their discourses by distinguishing between US (ingroup) and THEM (outgroup) as shown in Table 3-3.

Table 3-3 Describing/Attributing Positive Action
Imported from Van Dijk (1995)

Ingroup	Outgroup
Emphasis	De-emphasis
Assertion	Denial
Hyperbole	Understatement
Topicalization - Sentential (micro) - Textual (macro)	De-topicalization
High, prominent position	Low, non-prominent position
Headlining, summarizing	Marginalization
Detailed description	Vague, overall description
Attribution to personality	Attribution to context
Explicit	Implicit
Direct	Indirect
Narrative illustration	No storytelling
Argumentative support	No argumentative support
Impression management	No impression management

This framework, which is well-known in social psychology, however, can only examine the micro level of actions embodied in sentences. In order to analyze ideologies structured by group cognition, Van Dijk (1995) developed another framework that can analyze discourse meanings influenced by ideologies as shown in Table 3-4.

Table 3-4 The Framework Analyzing Discourse Influenced by Ideologies (Van Dijk 1995)

Self-identity descriptions	Who are we Where do we come from What are our properties What is our history How are we different from others What are we proud of Who will be admitted What are the criteria of admission Who may immigrate, etc
Activity-descriptions	What are our tasks What do we do What is expected of us What are our social roles, etc
Goal-descriptions	Goals of activities
Norm and value descriptions	What is good and bad, right or wrong What our actions and goals try to respect or achieve
Position and relation descriptions	Identity, activities and goals in relation to other groups Focus on group relations, conflict, polarization, and negative other presentation
Resource descriptions	Access to general or specific resources

The frameworks suggested by Van Dijk (1995) are useful to distinguish ideologies of movements as extra-institutional forces and intra-institutional forces by analyzing their discourses.

3.5 Conclusion

In this chapter, I have reviewed the role of discourse in institution-building processes. Actors' ideologies are reflected in the discourses that actors use which are in turn socially constructed and discursively constituted and managed by actors. Social actors use discourses in order to sustain or gain higher social positions by legitimating their discourse as true in the social world. This thesis on the development of the concept of social enterprise in South Korea relates to the approach to discourse in the study of social reality, rather than the social text in organization studies. The reason for this is given by the focus on how the concept of social enterprise (social reality) has developed as an ongoing institution-building process through socially or historically situated discursive moves of different social actors, rather than the texts per se. During this research process, I will analyze how social actors position themselves differently based on what kind of discourses they are using and the elements of their discourses (object; key concepts; key subject positions; and conditions of possibility), and how the socio-political conditions affect the construction of the elements of discourses (Maguire and Hardy 2006). Moreover, this research aims to explain how different social actors struggle in the process of constructing their claims and their strategies to engage meaning making process as an institutional process, in order to make institutional changes in power relations based on social movement theory integration into the neo-institutionalism.

4 The History of Korean Social Enterprises

4.1 Introduction

A new organizational form emerges as a reaction to the limitations of previous organizational forms and of the socio-political context in which they are located. This chapter will introduce and outline the dynamics of the development of Korean social enterprises where multiple actors were involved over time. First, the current certification system under the SEPA will be introduced as a standard organizational form of social enterprise in South Korea. Second, multiple actors who have been involved in the institution-building project of social enterprise will be defined. Third, social enterprise discourses promoted by multiple actors will be identified based on Karim (1993)'s discourse identification. Fourth, the dynamics of changes in the meaning of social enterprise over time will be described from three different perspectives: government, non-profit and innovative perspectives. Finally, I will briefly introduce how social actors are currently competing with each other over the meaning of social enterprise.

4.2 Certification System

The certification system of social enterprise falls under the law "Social Enterprise Promotion Act (SEPA)" enacted by the Ministry of Employment and Labor (MoEL) in 2006. According to the SEPA, Social Enterprise is defined as "*an enterprise certified in accordance with Article 7 as one that pursues a social objective aimed at enhancing the quality of life of community residents by providing vulnerable social groups with social services and job opportunities while conducting its business activities, such as the production and sale of goods and services*" (Ministry of Employment and Labor 2006). This definition of Social Enterprise limits the extent of the social objectives. As a matter of fact, the overarching purpose is to enhance the quality of life of community residents, the goals are to provide social services and job opportunities, the target is represented by vulnerable social group and the strategies adopted are given by any kind of business activities. It is

clear that the government aims to solve field level problems – unemployment and limitations of social welfare services/policies – using Social Enterprise.

The aim of the SEPA is even more clearly described in the "Enforcement Decree of the Social Enterprise Promotion Act (No. 22520, 09th Dec. 2010)" which defines the criteria of Social Enterprise in detail. A social enterprise has to meet certain criteria in order to be certified as a Social Enterprise and the SEPA defines the social dimensions which a Social Enterprise has to achieve: first, the primary objective of the organization is to enhance the quality of life of community residents by providing vulnerable social groups with jobs or social services or to otherwise realize social objectives; second, it shall have a structure under which the beneficiaries of services, employees, and interested parties can participate in decision-making (Ministry of Employment and Labor 2006).

The SEPA identifies five different models of Social Enterprise: 1) Work integration model; 2) Social welfare service model; 3) Community development model; 4) Mixed model; and 5) etc model.

The main objective of the working integration model is to create jobs and only when an organization employed vulnerable social groups for more than 30% can it fit this model. The social welfare service model aims to provide social welfare services and the ratio of the vulnerable social groups receiving social services should be more than 30%.

The community development model has been added in 2010 as a result of the interactions between the government and civil society groups. According to the revised version of the SEPA, a community development model implies a contribution to the local community by using local resources to employ local vulnerable social groups and provide social services to them. The ratio of employing local vulnerable social groups and providing social services to them should be at least 20% of the total. The main objective of the mixed model, instead, is to provide work opportunities and social services at the same time in one organization. With regard to the community development model, this has to employ and provide social services to vulnerable social groups for more than at least 20% of the total. The last model includes the Social Enterprises that do not fit any of previous models. According to the SEPA, a Social Enterprise of the "etc" model has to promote other social values apart from employment and the provision of social services. However,

there is no clear description of which social objectives can be considered valuable to identify the social enterprises that fit the etc model. For this reason, during the certification process the social objectives of an organization which apply for the etc models are reviewed by an intermediary organization first and then by a judging committee.

According to the "Enforcement Decree of the Social Enterprise Promotion Act", five types of social services are identified: 1) Childcare service; 2) Art, tourism and sporting service; 3) Forest conservancy and management service; 4) Nursing and housework assistance service; and 5) Other services recognized by the Minister of Employment and Labor after the deliberation of the Social Enterprise Support Committee (hereinafter referred to as "the Support Committee").

Besides the social objectives, a Social Enterprise also has to meet certain economic requirements. Economic dimensions include: first, that it employs one or more paid workers and conducts business activities involving the production and sale of goods or services; second, that the revenue generated through its business activities meets or exceeds the standards prescribed by Presidential Decree (at least two-thirds of earnings); third, that if its distributable profits occur during a fiscal year, more than two thirds of the profits are reinvested for social purposes (Ministry of Employment and Labor 2006).

4.3 Multiple Actors Involved in the Institution-building Project of Social Enterprise in South Korea

In this section, I introduce the actors who are involved in the institution-building project of Social Enterprise in South Korea. I have categorized these actors into three groups: top-down and bottom-up actors, and actors who emerged after the SEPA. The analytical strategy adopted to identify the group for each actor is explained in Section 5.3. devoted to Research Methods. However, I present the identification of multiple actors here, rather than in the finding chapters in order to provide a better understanding of how the Korean social entrepreneurship field is constructed.

4.3.1 Top-down Actors

4.3.1.1 The Blue House

The government established the "Presidential Committee on Job Strategy" in order to establish the plans to implement social welfare policies. The Presidential Committee then launched the "Task Force Team of Social Work" in order to review field level problems and discuss policy plans with the relevant ministries and experts in the field of social services.

The Participatory government of the President Noh, Moo-hyun identified "Social Work Policy" as a core policy agenda of the government. The issue of providing social services through employment became important because the government had acknowledged the limitations of the previous employment policy, the public work program. This program provided work opportunities to those who were in conditions of extreme poverty until they get a full-time job. Work opportunities provided by the public work program were meaningful for the training of unskillful workers, and for the provision of work opportunities and of income for vulnerable social groups.

Despite the benefits of the program, at the same time, the level of most of the jobs which were included was mostly of low-quality, such as cleaning tasks, while the work places of the public work program were mainly public areas, such as public parks, streets, and public buildings. Moreover, the regulation of the public work program stipulated that one person can benefit from being employed only for a maximum of two months. In such a short time, workers tended to lose their interests in the job not only because of the short period time of being employed, but also because they were paid the same amount regardless of their performance. From this previous experience, the government became aware also of the limitations of providing unconditional subsidies for beneficiaries, no matter what outcome in terms of performance they achieve. Therefore, the government started to look for another way of providing sustainable work opportunities rather than giving money to the vulnerable only because they are poor.

According to the government report "The Planning Strategy for Employment and Society Cohesion" (Presidential Committee on Job Strategy 2006), "social work"

is given by work places/opportunities created by providing social services to the third sector. Until 2006, work opportunities for the vulnerable social groups had been provided as part of public work program that does not make any profit from the activities. Instead, the government subsidized the beneficiaries when they achieve a minimum level of work in public areas such as government buildings, public parks and streets. Unlike the public work program, the social work program allows intermediaries/agencies to generate extra income by organizing and managing business activities to then invest in and promote social entrepreneurial activities. As a consequence, the Presidential Committee on Job Strategy organized the "Task Force Team for Social Enterprise Promotion Act" which included multiple actors who worked in the field of social entrepreneurship or relevant fields, such as that of self-sufficiency enterprises and of social welfare services. The Task Force Team, government officers from eight different government departments such as the Ministry of Employment and Labor, Ministry of Welfare, Ministry of Culture, Ministry of Strategy and Finance, and Ministry of Planning and Budget are also included here as well as representatives from NGOs, such as the Working Together Foundation, and researchers from the Korea Labor Institute which is a government funded national research institute.

4.3.1.2 Government Departments

In the "Task Force Team for Social Enterprise Promotion Act", eight different government departments were included, namely the Ministry of Labor[4], Ministry of Welfare, Ministry of Culture, Ministry of Strategy and Finance, and Ministry of Planning and Budget. Although they share a common identity as a government body, they have struggled to achieve consensus on the SEPA since they have different objectives, backgrounds, interests, and strategies towards employment and welfare policies. These struggles between government departments during the law-making process will be analyzed in Chapter Six devoted to the findings of this thesis.

[4] Ministry of Labor changed its name to Ministry of Employment and Labor in 5 July 2010 when "employment policy" was added to its organizational objectives (Presidential Archives 2010).

4.3.1.3 Political Parties

Political parties also have been involved in the institution-building project of social enterprises because in South Korea only the members of the national assembly have the right to introduce a new legislative bill. In 2006, the Uri Party was the ruling party while the Hannara Party represented the leading opposition. The legislative bill of the Uri Party reflected the government's approach on social enterprises, while the bill of the Hannara Party reflected to a greater extent the oppositional discourse. The struggles between two parties with their discourses included in each legislative bill will be analyzed in Chapter 6, where the Findings are presented.

4.3.1.4 Korea Labor Institute (KLI)

The Korea Labor Institute (KLI) is one of national research institutes funded by the government. The KLI played an important role in the development of a blue print of the SEPA. Researchers at the KLI carried out pre-research on social enterprise phenomena and policies in South Korea and other countries, and collected opinions from the field. As a result, the KLI had developed a very close relationship with both top-down and bottom-up actors in the field.

4.3.2 Bottom-up Actors

4.3.2.1 National Movement Committee for Overcoming Unemployment (NMCOU)

The "National Movement Committee for Overcoming Unemployment (NMCOU)" a former organization of the Working Together Foundation was established in June 1998. It changed its name to the "Korea Foundation for Working Together: Working Together Society" in 2003 when the financial crisis was considered at an end. The NMCOU was established originally to overcome the Asian currency crisis of 1997 based on the nationwide citizens' movement known as the

"Gold-gathering Campaign" After campaigning, the NGOs, who were involved, established the NMCOU in order to distribute the collected money to help homeless and jobless people. In 2003, when the members of the committee considered the financial crisis at its end, they organized the "Task Force Team of Social Work" which comprised seven civil society organizations, including the NMCOU, Society Solidarity Bank, Senior Club, Self-sufficiency Association, Women Workers Association, and others in order to discuss the future plans of the committee. One of the core managers at NMCOU participated in the "Task Force Team of Social Enterprise Promotion Act" as a representative of NGO members of the "Task Force Team of Social Work."

4.3.2.2 Civil Society Solidarity for Social Enterprise Development (CSSSED)

While the Working Together Foundation participated in the law-making process of the SEPA as one of core members of the "Task Force Team for Social Enterprise Promotion Act", other non-profit organizations which were not included as members of the Task Force Team started to speak up about the SEPA and the characteristics of social enterprise, on the basis of their experiences and understandings. This group of actors was made up of self-sufficiency enterprises, which provided work opportunities to the vulnerable even before the enactment of the SEPA, and introduced the term of social enterprise or social economy earlier in the 1990s, mainly from European countries and Japan.

4.3.3 Actors Who Emerged after the SEPA

4.3.3.1 Intermediary Organizations

As a result of the establishment of the SEPA, several intermediary organizations who are promoting government policies on social entrepreneurship have emerged. A few of these, such as the Korea Foundation for Working Together, existed even before the establishment of the SEPA. They started to work as a Social

Enterprise intermediary organization. After the introduction of the SEPA, at least one intermediary organization has been founded in each region. In total, in 2016 there were 16 intermediary organizations across the country, one in each metropolitan city and province.

Generally, the main roles of intermediary organizations are as follows: provision of information and consulting services in relation to obtaining a Social Enterprise certification, organization of a judging committee to screen potential preliminary applications and certified Social Enterprises. Intermediary organizations also constitute a bridge between the government – MoEL and Korea Social Enterprise Promotion Agency (KOSEA) – and certified Social Enterprises, as well as those social enterprises which present the potential to be certified. As a matter of fact, consulting and educational programs provided by intermediary organizations are funded by MoEL. However, usually intermediary organizations are not solely dependent on the government funding but they carry out other financial activities to maintain the organization.

4.3.3.2 Korea Central Council of Social Enterprise (KCCSE)

The Korea Central Council of Social Enterprise (KCCSE) was established in 2008. The members of the Council all work in a certified Social Enterprise. More specifically, the KCCSE consists of social entrepreneurs who joined the regional councils of social enterprises. The KCCSE promotes a discourse on local development that considers the development of a sustainable local community as the core objective of social enterprises. They also promote a cooperative discourse and a social economy discourse. The KCCSE, as an advocacy group, works with various actors in the field, such as private companies, intermediaries and NGOs, by organizing regular meetings with members, with the government officers of the Ministry of Employment and Labor, and with political parties. The KCCSE also delivers education and training courses for social entrepreneurs in order to spread their discourses.

4.3.3.3 Social Enterprise Network (SEN) Korea

The Social Enterprise Network (SEN) Korea has influenced people to accept the social innovation discourse of social enterprise broadly in South Korea. In 2003, the SEN introduced the term social entrepreneurship based on the US approach. In other words, the social innovation discourse of social enterprise, which is well-known in the US, was first imported by the SEN. In Chapter Eight, I shall discuss in greater detail the social innovation discourse of social enterprise and its process of introduction by the SEN are explained.

4.3.3.4 Social Innovation Support Organizations

Besides the previous categories of actors, an important role is also played by groups of organizations that support the social innovation discourse of social enterprise. These organizations support individual social entrepreneurs financially or educationally in the establishment of social ventures or social innovative enterprises besides the certified Social Enterprise. Angel investors, crowdfunding for social entrepreneurs, consulting groups, and social finance organizations are all included in this group of actors.

4.3.3.5 Individual Social Entrepreneurs

Here, individual social entrepreneurs are social entrepreneurs who are not interested in obtaining a Social Enterprise certification. They promote social innovation and entrepreneurship discourses. Individual social entrepreneurs call their organizations “social innovative enterprise” or “social venture” alternatively, since they are legally prohibited to call themselves as Social Enterprise.

During the institutionalization process of social enterprise, multiple actors emerging from top-down or bottom-up with different backgrounds, objectives, understandings have been involved. Different experiences and understandings of

social enterprise characterize even the actors within the same group, such as the government or civil society both of which have different approaches to social enterprise and to the SEPA. In this context, actors struggle against each other and as a result they promote their own discourses with various strategies in order for them to be accepted by the other actors.

4.4 Social Enterprise Discourse Identification

This chapter posits that the term social enterprise carries multiple discourses and that social enterprise is referred to in various ways by different actors. In this section, various discourses which exist in the field of social entrepreneurship in South Korea will be introduced and discussed with a focus on the time in which each discourse emerged, the groups of actors promoting each discourse, and the emphasis of each discourse. Although the concept of social enterprise has been officially institutionalized by the SEPA, some discourses of social enterprise provided by other actors are not included in this institutionalized meaning. Therefore, some actors have been pushing their discourses to be accepted by other actors, especially by the government who has the dominant power in this institutionalized field. Moreover, alternative discourses of social enterprise which resist against the dominant institutionalized concept continuously emerge from the field.

In order to compare discourses, the actors promoting each discourse, and their relationships and strategies, I have identified social enterprise discourses in South Korea using Karim (1993)'s framework, as shown in Table 4-1. Some discourses overlap and do not completely oppose each other. Also, it is important to recall that a group of actors can promote more than one discourse at the same time.

Table 4-1 Discourse Identification of Korean Social Enterprise using Karim's (1993) Discourse Identification

	Discourse	Main Actors
Dominant and official discourse	Certified Social Enterprise (Work-related, welfare-related and CSR discourse)	Top-down actors (The Blue House, Ministry of Labor, Members of the National Assembly, Big Corporations, NMCOU)
Oppositional discourse	Local development	Bottom-up actors (NMCOU and CSSSED)
	Cooperative	CSSSED, KCCSE
	Social economy	CSSSED, KCCSE
Alternative discourse	Social innovation and entrepreneurial	SEN Korea, Social Finance Organizations, Ashoka, Beautiful Store, Individual Entrepreneurs
Populist discourse	None	None

According to Karim (1993), dominant discourse is not monolithic and static but it reflects the "ever-changing structure of power" (Karim 1993: 192). Therefore, a dominant discourse is shaped by the interactions between actors in power relations that are changing over time. A dominant discourse comprises the dominant definitions of the situation in which the existing structures of power and social conditions are embedded. However, a dominant discourse is not necessarily an official discourse (Williams 1985). An official discourse represents the views, arguments, explanations and policy suggestions provided by the state, which appear in legislations and in other government regulations (Schlesinger, Elliot, and Murdock 1984). An oppositional discourse criticizes a dominant discourse and its viewpoints, and resists against the hegemony of the dominant discourse. An alternative discourse, instead, is considered to be a discourse that does not share the same viewpoint with dominant discourses, unlike oppositional discourses (Karim 1993). Lastly, a populist discourse has a conservative tendency similar to dominant discourses, but its voice,

manners, and viewpoints are much more extreme so that it is not usually adopted by the state (Schlesinger, Elliot, and Murdock 1984).

In South Korea, the official discourse of social enterprise is the dominant discourse. When the state, including the Ministry of Employment and Labor, the Members of the National Assembly, the Big Corporations, and intermediary organizations, such as the NMCOU, promoted an official discourse of social enterprise as a certified social enterprise, they combined work-related, welfare-related and CSR discourses which represent their views, explanations and policies and this discourse spread very quickly over the entire country. During my fieldwork, many interviewees emphasized the fact that the official meaning of social enterprise is dominant in South Korea as follows:

> "*The organizational form that we call Social Enterprise is only given to those organizations that are certified by the SEPA. People will be confused if we call uncertified organizations Social Enterprises although they share similar characteristics of Social Enterprises. (BJ7, CEO, G SE, 16 June 2014, 14:04PM-16:00PM)*"

Oppositional discourses and alternative discourses emerged during and after the SEPA legislation. Bottom-up actors, such as the Civil Society Solidarity for Social Enterprise Development (CSSSED) and the Korea Central Council of Social Enterprise (KCCSE), promoted local development, workers' cooperative, and social economy discourses against the official discourse. However, they basically agreed on the need for an institutionalization of social enterprise and of the basic concept of Social Enterprise, as described in the SEPA.

Social innovation and entrepreneurship discourses of social enterprises are considered as alternative discourses which do not share the same viewpoint of the official discourse. Alternative discourses are mostly promoted by private organizations, such as the SEN Korea, Social Finance Organizations, Ashoka, Beautiful Store and individual social entrepreneurs. These groups of people do not consider having a Social Enterprise certification as something which is necessary and they do not want to be included in the institutionalized meaning of Social Enterprise

as defined by the law. They prefer to draw a line between Social Enterprise and the social entrepreneurial activities that they do, as EC1 highlighted:

> "*Social Enterprise defined by the SEPA is completely different from the social entrepreneurship activities that we are promoting. Social Enterprise activities supported by the state should be known as activities of "social service enterprises", not as "social enterprise." (EC1, Deputy Director, D SV, 13 May 2014)*"

Moreover, many interviewers including DH7 who are in the social venture sector added that:

> "*I am not interested in getting a Social Enterprise certification. And I am not interested in the Social Enterprise promotion policies delivered by the MoEL. (DH7, CEO, Z SV, 18 June 2014, 11:06AM-12:17PM)*"

No populist discourse of social enterprise can be included in the official discourse because it is far too extreme by nature. According to BD3:

> "*The MoEL considers all the different discourses and actors which can be included in the institutional setting. (BD3, Manager, C Government Department, 15 June 2014, 18:09PM-17:44PM)*"

Despite the diversity of discourses presented in section 4.4, the history of the emergence of social enterprises is often described from the government perspective. In Section 4.5, after outlining the history of Social Enterprises from a top-down perspective, I shall introduce their history from the bottom-up non-profit and innovative perspective.

4.5 From Bottom-up to Top-down

From the interviews which I have carried out, it has become clearer and clearer that people have different perspectives on the history of social enterprises and their background. Various discourses of Korean social enterprise compete against

each other throughout their history until current days. These discourses have taken different forms following social, economic, political and cultural dynamic changes. In this thesis, I assume that the concept of social enterprise existed in Korean society from the early 1920s, although social enterprises were not called so at that time given that it is a relatively new word. Nonetheless, considering that the word 'social enterprise' has emerged with the government's Social Enterprise promotion policy – Social Enterprise Promotion Act (2006), I will firstly look at the current dominant and minor but challenging definitions of Korean social enterprise and their histories.

4.5.1 Dominant Discourse of Social Enterprise: a Top-down Approach

4.5.1.1 Definition of Social Enterprise: The Government's Approach

The Korean government defines social enterprise as "*an enterprise certified in accordance with Article 7 as one that pursues a social objective aimed at enhancing the quality of life of community residents by providing vulnerable social groups with social services and job opportunities while conducting its business activities, such as the production and sale of goods and services*" (Ministry of Employment and Labor 2006).

According to the law, a social enterprise can be certified as such by the government, the Ministry of Employment and Labor (MoEL), if it has achieved certain economic and social requirements. Economic dimensions are the following: first, it has to employ one or more paid workers and conduct business activities, such as the production and sale of goods or services; second, the revenue generated through its business activities has to meet or exceed the standards prescribed by Presidential Decree (at least two-thirds of earnings); third, if distributable profits are generated during a fiscal year, more than two thirds of the profits have to be reinvested for social purposes (Social Enterprise Promotion Act 2006). With regard to social dimensions first, the primary objective of the organization needs to enhance the quality of life of the residents in the community by providing vulnerable social groups with jobs or social services or to otherwise realize social objectives. Second, the social enterprise needs to have a structure which enables the beneficiaries of

services, employees, and interested parties to participate in decision-making processes (Social Enterprise Promotion Act 2006).

The law also identifies different organizational types for social enterprises: work integration model, social welfare service model, community development model, mixed model and etc model. If a social enterprise would like to have a social enterprise certification, it has to fit one of these models. The main objective of the work integration model is job creation. In this model the employment ratio of vulnerable social groups should be over 30%. The social welfare service model's main objective is to provide social welfare services. Here the ratio of vulnerable social groups receiving social services is over 30%. In the case of the community development model, the objective is to contribute to the local community. More specifically, it should use local resources to employ local vulnerable social groups and provide them with social services. Moreover, the ratio of each of these figures should be at least 20%. The objective of the mixed model combines both the work integration model and the social welfare service model. We refer to a mixed model when a social enterprise's main objectives are both job creation and the provision of social services. In this case, the ratio of each figure should be at least 20%. Any other social enterprises that aim at promoting other social values besides employment and the provision of social services can be certified as an etc model. However, not every enterprise that has social objectives can be certified as a social enterprise. As a matter of fact, the social objectives are reviewed by an intermediary organization first and then by a judging committee as part of the certification process.

4.5.1.2 The History of Social Enterprises: The Government's Approach

The history of Korean social enterprises has been written from a top-down perspective which mainly explains the process of institutional change of social enterprises in light of changes in the legal frameworks. As stated by the Korea Social Enterprise Promotion Agency (KOSEA) and on its website (http://socialenterprise.or.kr/eng/info/act.do), "social enterprise in Korea began as a way to solve the problem of unemployment among vulnerable social groups and expand supply of social services" (Korea Social Enterprise Promotion Agency

2013a)" and the history of social enterprises can be traced following policy changes related to unemployment and social welfare services issues.

According to the government website of the Korea Social Enterprise Promotion Agency (2015a) and interviews carried out with top-down and some bottom-up actors, the Korean financial crisis in 1996 strongly affected social policies aimed at solving unemployment problems and the lack of social welfare services. As a matter of fact, the unemployment rate rose rapidly in 1996 and it led to a huge gap between the rich and the poor.

As a result, there was an increasing need for social welfare supports for the poor and for unemployed people. However, policy makers believed that spending the government budget to provide social welfare services for vulnerable people was not sustainable in the long run. The reason for this is that the social policy of that time consisted in subsidizing them in an easy and simple job, and not to train them or help them enter the job market. Meanwhile, some researchers and social activists suggested that the Ministry of Welfare started to support the workers of production cooperatives, namely production community movements in poor regions, which in 1996 took the form of self-sufficiency organizations (enterprise).

In 1996 the government began to support self-sufficiency activities by introducing the National Basic Living Security Act (NBLSA). The Self-Sufficient Project of the Ministry of Welfare is the first government policy with social welfare goals achieved by promoting and supporting the activities of civil society. The Ministry of Health and Welfare has also provided support to Self-Sufficiency Assistance Centers (SSAC) with the help of the Self-Sufficiency Assistance Policy (SSAP) from 1996 onwards (Ministry of Health and Welfare 2013). The vision and objectives of the SSAP are similar to that of the SEPA which "aims at promoting self-reliance for the working poor by encouraging employment and welfare-to-work programs" (Ministry of Health and Welfare 2013). The Ministry of Health and Welfare (2013) announced that the objectives of SSAP are: first, to expand stable jobs; second, to increase incentives to work; third, to reorganize the SSAP processes; and fourth, to expand infrastructures with the aim of self-sufficiency. Moreover, the Ministry has promoted self-sufficiency enterprises; one of the programs promoted under the SSAP, is "a type of producer's co-op operated by more than one welfare recipient or the working poor" (Ministry of Health and Welfare 2013).

Meanwhile, the Ministry of Government Administration and Home Affairs (MoGH) also started the "Public Work Project" 1998 under the "Master Plan for Tackling unemployment" (Kwon 2002). The Public Work Project provided work opportunities to people who do not benefit from the Employment Insurance Program and the Public Assistance Program because they do not meet the poverty criteria (Kwon 2002).

However, although it is thought that South Korea overcame the crisis successfully and the unemployment rate started to decrease in 1999, these policies have been criticized in terms of their efficiency and sustainability (Korea Social Enterprise Promotion Agency 2015a). According to Kwon (2002), the Public Work Project presents the following criticisms: first, this project allowed beneficiaries (mainly students, housewives and the elderly over 65) to earn money easily by not working hard despite still being able to find other work opportunities; second, it did not help beneficiaries maintain a positive work spirit and acquire the necessary skills and experiences, which would eventually help them find jobs in the future; and third, although this project was defined as a work program, it was a "social assistance program with a condition of work attached" (Kwon 2002: 11).

After acknowledging these criticisms, the Social Work Project was launched by the Ministry of Labor in 2003. The main objectives of this project were to eliminate class-unemployment and polarization by providing vulnerable people with work opportunities in the public/social sector. The Social Work Project was run by either the government or NGOs on contract. NGOs on contract to the government had to create social work ideas on their own in order to generate work opportunities for the vulnerable. A project which started under the government's contract had to be a legal enterprise registered under the law in three years. In that way, the government could benefit financially and socially from supporting NGOs facing financial challenges and vulnerable people facing unemployment.

According to some interviews, the government tested the Social Work Project as a pilot project for the SEPA. The Ministry of Labor had the idea of social enterprises already in mind when the Social Work Project was launched. Then, in 2005, the Ministry of Labor formed a task force team including researchers, social entrepreneurs, social activists, and government officers to develop the Social Enterprise Promotion Act.

4.5.2 Minor Discourses of Social Enterprises: A Bottom-up Approach

4.5.2.1 Definition of Social Enterprises: A Non-profit Approach

Another definition of social enterprise, which I identify as the “bottom-up" approach, originated within the cooperative movement and was driven by civil society actors. As mentioned above, current government and civil society actors consider workers’ cooperatives as the origin of social enterprise. This cooperative movement of workers started from the civil society with the aim of supporting and empowering people in poor regions by embracing the overseas concept of cooperative movement of workers. Thus, the definition of social enterprise for some activists, who were involved in this movement from the 1970s, is broader compared to the government’s definition. They emphasize to a greater extent the participatory governance of social enterprises where workers have the right to participate in decision-making process as in the case of cooperatives.

4.5.2.2 History of Social Enterprises: A Non-profit Approach

The field of Korean civil society basically agrees with the government’s view on the history of social enterprises. According to this view, Korean social enterprises originated from the cooperative movement in poor regions which in the 1990s aimed at improving the quality of life and overcoming unemployment problems (Kim 2009). However, one strong point of differentiation is that actors in civil society believe that they have created social enterprises from their own approach.

At this point, the role of researchers and social activists was crucial in order to identify the concept of social enterprise. Most interviewees mentioned that they tried to elaborate the concept and definition of Korean social enterprise on the basis of foreign cases, such as the Workers’ Cooperative known as Mondragón from Spain and the Social Cooperative Law in Italy. The International Forum on Social Enterprises in 2000 played an important role in spreading the term of social enterprise and its concept throughout Korea. This Forum is considered to be the first international event where Korean researchers and social activists heard the term

social enterprise and social economy. Soon after this, they started to study the definition, the concept and the cases of overseas social enterprise activities. According to some interviewees, for example, some researchers and activists formed a private study group on social enterprises in order to bring the concept and apply it to the Korean context. Moreover, the Work Together Foundation, an NGO which was founded with people's donations during the financial crisis of 1996, sent researchers overseas, mainly in Europe, to visit actual social cooperatives.

Many interviewees agreed that once a new term is introduced by the civil society, in Korea the government takes initiative very quickly. This has occurred also in the history of social enterprises as well. Although civil society firstly came across the concept of social enterprise, the government took the initiative and established the law in a just cause, to support both civil society and the vulnerable people. However, civil society also tried to keep their social enterprise initiative by co-working with the government on solving employment and social welfare problems since 1996.

Kim (2009) divides social enterprises related to non-profit organizations between advocacy groups and organizations that have contributed to creating job opportunities. Self-sufficiency related organizations and unemployment support centers are organizations that have contributed to creating job opportunities in Korea. As mentioned before, SSACs provide the vulnerable with job opportunities. These jobs consist mostly in social services such as cleaning, house repairs, material and food recycling, and nursing (Ministry of Health and Welfare 2013). These social business activities were started and supported by the government in order to deliver social services and improve the employment rate.

An important aspect that needs to be recalled is that these self-sufficiency related organizations in Korea originated from civil society, and not from government policy. Therefore, in order to determine the origins of social enterprise related movements from the point of view of civil society in Korea, the grassroots practices of community organizations from the 1970s to the 1980s need to be reviewed.

Table 4-2 The History of Employment-related Civil Society Activities (Korea Social Enterprise Promotion Agency 2013a)

1970s	Intellectuals went down to urban slums (*haebang*).
1980s	People's (*minjung*) churches in slums were built.
Mid-1980s	Nationwide associations of community organizers were founded: Christian Association for Community Organizing (CACO, 1984), Catholic Organizations for the Urban Poor (COUP, 1985), and Anglican Sharing Homes (ASH, 1985).
1990s	Self-Sufficiency Programs in governmental partnerships were started.

While the military government ruled the country during the 1970s and 1980s, intellectuals, mostly university students, began to support socially disadvantaged people following the introduction of Sartre's book "A Plea for Intellectuals" (1974) in Korean society (Kim 2012). Some intellectuals even "went down (*haebang*)" to poor regions and lived with disadvantaged people (Kim 2012). Members of the Catholic Organization Urban Poor (COUP) in particular believed that "a complete identification with poor people is the prerequisite of social movements, that is necessary to become the same residents of slums, to see problems through their eyes, and solve them from their viewpoints" (Catholic Organizations for the Urban Poor (COUP) 1999: 59).

According to Kim (2012), these activities are directly linked to building "populace (people's, *minjung* in Korean)" churches in slums. Churches represented suitable organizational forms in order to deliver social services in poor regions since authorities such as the military government and other dictatorships did not control them. For these reasons, religious organizations played an important role in empowering people in poverty in the 1970s and 1980s. During the mid-1980s, these churches began to gather opinions from each other and they established nationwide associations of community organizations, such as the Christian Association for Community Organizing (CACO, 1984), COUP (1985), and the Anglican Sharing Homes (ASH, 1985) (Kim 2012).

The activities of these community-building organizations at first were opposed to the state. As a matter of fact, the states forced the demolition of many shanty towns in the late 1980s, which can be considered a good example of this

conflict. More specifically, during the late 1980s, the government intended to demolish an area where shanty houses were located in order to develop an urban environment in Seoul. However, the community organizers successfully pointed to the poverty issues of the urbanized regions and, as a result, the government decided to support vulnerable people, especially those in poverty, through SSACs. At this point in time, a relationship between the government and the civil society as a policy maker and policy provider started to develop.

A crucial step in the history of social enterprises is given by the SSAP, which was implemented under a partnership between the government and the SSACs. The Self-Sufficiency Work program, a sub-program of the SSAP, supported the creation of job opportunities for working poor people with a view to introduce increasing levels of empowerment. This program was organized by SSACs mostly originating from the community building organizations which aimed to eradicate poverty in urban areas in the 1980s. According to the Ministry of Health and Welfare (2013), SSACs "play an important role as a key infrastructure of SSAP", showing that the government acknowledges the important role of civil society in terms of providing social welfare service-related policies to local communities. As a result, the number of SSACs is now at a total of 247 after the pilot program was run by the self-supported sponsor organizations in 1996 (Ministry of Health and Welfare 2013).

Given these considerations, the question, therefore, is what exactly do SSACs do in partnership with the government and local communities? The Ministry of Health and Welfare defines the key functions of SSACs in the community as follows: first, they provide training to participants to motivate them towards work activities; second, they also give information, counselling, job training and job placement; third, they offer financial support, support for business start-up, and management skills; fourth, they contribute to the start-up and operation assistance of Self-Sufficiency Enterprise; and fifth, other kinds of support for self-sufficiency are included, such as educational programs for the children of welfare recipients or for lower income families (Ministry of Health and Welfare 2013). It is worth noting that the SSAP has supported business start-ups and Self-sufficiency Enterprise, "a type of producers' co-op operated by more than one welfare recipient or by the working poor" (Ministry of Health and Welfare 2013). At this point, this shows that the government has started to support local communities by building self-sufficiency enterprises with

community building organizations as part of social welfare service policies aimed at eradicating poverty and providing more job opportunities.

Self-sufficiency enterprises and social enterprises look very similar in terms of the support they provide business start-ups for the working poor and disadvantaged people with. However, the switch ratio of self-sufficiency enterprises to social enterprises is not as high as expected. Kim (2009) insists that this shows that self-sufficiency enterprises are the forefront organizations which promote and support social entrepreneurial activities. This still needs to be confirmed by further research since community SSACs which manage self-sufficiency enterprises are considered to be controlled by the government, as mentioned by Kim (2009).

SSACs have also received criticisms from the community because of their bureaucratization (Kim 2012). Despite the fact that the SSAP was considered to be "an icon of 'participatory governance' by both the government and community organizations" (Kim 2012), community organizations seem to have lost their original objectives and plans aimed at empowering poor people in certain regions. As a matter of fact, welfare policies inevitably require a certain level of "bureaucratic assessment" to establish which recipients deserve the benefits (Dailey 1971); since the state only seeks to spend money essentially on the "legitimate" poor, determining who is truly deserving represents a crucial part of welfare administration (Howe 1990). The SSAP is involved in precisely this kind of selection process. Interestingly, Kim (2012) studied the bureaucratization of community organizations and determined that the informal and intimate relationship between people from local communities and community organizers had disappeared.

Some scholars emphasize that Korean social enterprises have emerged as the result of a good relationship between the government and the civil society (Bidet 2002; McCabe and Hahn 2006). However, there are still not enough studies which provide an independent view of the impact of civil society on social enterprises and their own activities. Although Kim (2009) mentioned that the institutionalization of social enterprises in Korea means that the government has partly accepted civil society's social entrepreneurial activities and its arguments relating to the importance of social entrepreneurship in the field. Nonetheless, civil society has reacted to the government policy on social enterprises on the basis of their own perceptions. The

interactions between the government and civil society are outlined in Section 7.4 in greater detail along with a timeline.

4.5.2.3 Definition of Social Enterprise: An Innovative Approach

As the concept of social enterprise has been imported mainly from the United States, some social entrepreneurs criticize the fact that the concepts of social enterprise coming from the government and the traditional civil sector are too narrow and not sustainable. An innovative approach places greater emphasis on the characteristics of "enterprise" rather than on the "social" side of "social enterprise" – in other words, it is better for a social enterprise to make profits through innovative business activities and be financially independent from government funding. Also, social entrepreneurs with an innovative approach focus more on social changes by solving fundamental social problems rather than the issues related to work integration.

4.5.2.4 The History of Social Enterprises: An Innovative Approach

This approach was mainly introduced by an association called the "Social Enterprise Network (SEN) Korea" and a book entitled "Social Enterprise" written by Jung (2006). SEN Korea is a partnership organization of the Global Social Venture Competition (http://gsvc.org). It was established in 2005 after the Chairman of SEN Korea took on the concept of social enterprise and social venture from the Columbia Business School. The SEN held the first social venture competition for university students in 2006. In this same period of time, the government brought the SEN's concept of social venture competition into the policy area. Moreover, the government also started to promote young social entrepreneurs and social ventures because they could not avoid the criticism related to the limited definition and roles of social enterprise as explained in the SEPA.

As a result, the introduction of public support to the "Social Venture Competition" and of the "Young Social Entrepreneur Promotion Project" was taken as a complementary measure to strengthen the innovative aspect of the SEPA. The

government considers social ventures for youth as a kind of preliminary social enterprise eligible for the pre-certification or the certification as social enterprises. More specifically, the Korea Social Enterprise Promotion Agency (KOSEA) defines social ventures as a business which is more creative and innovative compared to social enterprises and which does not necessarily meet the criteria of certified social enterprises. The government supports young people in the establishment of social ventures by means of promotion programs such as the "Social Venture Competition" and the "Young Social Entrepreneurs' Promotion Project."

Meanwhile, in some other cases, individuals have also launched separate initiatives. These initiatives consist in the founding and growth of businesses independently from existing public schemes or from the financial support of big companies. The role played by these companies within the social enterprise phenomenon emerges in several private social entrepreneur support programs, such as the Ashoka Fellowship, the Beautiful Fellowship or other social investment programs. These social entrepreneur support programs supported by private organizations usually look for social enterprise initiatives with innovative, ethical or ecological characters, but which can barely meet the criteria of certified social enterprise. For example, the Beautiful Fellowship supports "Social Innovation Entrepreneurs" who can solve social problems in the field of environment, human rights, education, culture, and community with innovative social ideas, while the Ashoka Fellowship provides support to social entrepreneurs who present five characteristics: a new idea which can change society, creativity, entrepreneurship, social impact of business idea, and ethics.

As mentioned previously, the government's social enterprise promotion policies which pay the employees of preliminary or certified social enterprises have been criticized due to its unsustainability. For this reason, in 2011 Beautiful Store decided to launch the Beautiful Fellowship in order to support social entrepreneurs who have innovative ideas which are able to change society. Beautiful Store was established in 2002 by People's Solidarity for Participatory Democracy, a civil rights movement organization which has contributed to improving the culture of sharing in Korea. As an extension of its philosophy and history, Beautiful Store supports the development of ethical and ecological concepts of social enterprise.

Unlike the Beautiful Fellowship, the Ashoka Fellowship has been imported from the US where the Ashoka Foundation was founded. Ashoka Fellowship started in South Korea after the establishment of its Korean office in 2012. Compared to the government and big companies, it is important to note that these private fellowships do not look at how much profit a social enterprise makes, or how many employees are employed.

4.6 The Current Competition between Actors over the Meaning of Social Enterprise

Actors in the field of social entrepreneurship in South Korea are also involved in another debate on the enactment of the Social Economy Act. The need to establish the Social Economy Act has emerged as a reaction to the limited definition and scope of certified Social Enterprises according to the SEPA. This debate represents one of the results of the conflicts over the meaning of social enterprise.

The social economy discourse emerged on the basis of complicated struggles between the actors who were involved in the institution-building project of social enterprises. After the enactment of the SEPA, actors who were working in the field of social entrepreneurship, such as government officers, policy makers, social entrepreneurs and civil activists, realized that the current institutionalized concept of Social Enterprise does not cover the various existing discourses on the topic. This acknowledgment came also from those actors who gained the Social Enterprise certification given that the SEPA actually limited their activities.

The concept of social economy was introduced especially in a bottom-up fashion by those actors who used to be excluded or ignored by the institution-building project of social enterprises. Within this context, the Solidarity of Cooperative – formerly known as Solidarity of Social Enterprise – changed its organizational name to the Solidarity of Social Economy in order to emphasize the importance of promoting social economy. Based on the increasing needs for an institutionalization of a social economy, the government already started to carry out research on what social economy is and how it can be promoted. As a result, Moon, Jae-in, a member of the parliament of the Democratic Party, submitted a legislative bill on the social economy. However, the discussion on the issue is still ongoing

given that this act and the meaning of social economy is still not clear as in the case of the concept of social enterprise.

The social economy discourse can cover different discourses emerging from the non-profit approach, but not from the innovative approach. However, it is important to note that social enterprises (social ventures) in the business sector are not keen to be included in the institutional field of Social Enterprise because of the negative images of social enterprise. For social entrepreneurs taking the innovative approach, Social Enterprises work only for poor people, and have no expertise in business management and innovation.

However, in this research, I will focus only on the struggles over meaning of social enterprise related to the SEPA between 2006 and 2012. Most importantly, the meaning of social economy has not been institutionalized yet but it is under discussion. Although actors who are involved in the institution-building project of Social Enterprise are involved in the discussion of the establishment of a Social Economy Act, the direction of social economy policies has not been clarified yet. The main concern is whether the Social Economy Act would be an extended policy of the SEPA or a separated policy promoting a social economy in general. For this reason, it is too early to consider the current debate on social economy polices as a future policy of the SEPA.

Second, because the debate on the meaning of a social economy is still ongoing and has not been institutionalized yet at all, the scope of the time and the topic of research would be too broad if also the social economy debates were to be included. The term “social economy” has started to be increasingly used since 2010, at least five years later when the SEPA had been established by groups of people who basically acknowledged the fact that the SEPA limits the scope and activities of social enterprises.

Table 4-3 A Timeline of Korean Social Enterprise Development

	Government	Non-profit approach	Innovative approach
1970-1980's	-	Urban poor movement started mainly by religious organizations (CACO, COUP, ASH) in order to tackle poverty problems in urban area undergoing rapid industrialization.	
1990's		Worker's production cooperative movement promoted by researchers within close relationship with community building organizations.	
1994	KDI researched on worker's production cooperatives and community movement as a self-help movement for poverty alleviation.	-	
1996	The Ministry of Health and Welfare have supported self-supported sponsor organizations as a pilot program.	Community building organizations became self-supported sponsor organizations that providing social welfare service-related policy to local communities.	
1997	Financial crisis (Unemployment rate increased & social welfare services needed)		
	-	National Movement Committee for Overcoming Unemployment was established by a group of NGOs.	
		Employment-related organizations joined the worker's production cooperative movement.	
		Some researchers and social activists suggested the Ministry of Welfare to support workers' production cooperative.	

1998	Ministry of Government Administration and Home Affairs (MoGH) started the 'Public Work Program' under the Master Plan for Tackling unemployment.	Public Work Program has been criticized in terms of its efficiency and sustainability.	
1999	Self-Sufficient Program of the Ministry of Welfare introduced under the NBLSA.	Many employment-related organizations and community building organizations became SSACs. The SSAP is the first government policy aiming to achieve its social welfare goals through promoting and supporting the activities of civil society.	
2000	-	After the International Forum on Social Enterprise, the first international event on social enterprise, researchers and social activists discussed the word social enterprise and social economy, and they soon started to study the definition, concept and cases focusing on overseas cases.	
2003	President Roh Moo-hyun's Participatory Government started.		
	The government was searching for alternative policies to solve the unemployment and welfare problems at the same time.	National Movement Committee for Overcoming Unemployment changed its name to Working Together Foundation and set new objectives to promote social enterprise as a solution to unemployment and welfare issues.	

	Social Job Creation Program launched by the Ministry of Labor.	Social Job Creation Program was run by either the government or NGOs on contract (Lee, 2013). NGOs on contract to the government had to create social work ideas itself in order to provide work opportunities to the vulnerable.	
2005	March. Established 'social work' task force team.		SEN established and innovative approach of social enterprise introduced.
	August. The Grand National Party, prepared for the legislation of the SEPA.	August. Established the Council of Social work and Social Enterprise Civil Society Organizations.	-
	December. The Grand National Party, proposed a legislative bill of 'Establishment and Promotion of Social Enterprise'.	-	
2006	March. The Our Open Party, proposed a legislative bill of 'Support Social Enterprise'.	March. Submitted a report about the problems of the SEPA to the National Assembly.	Muhammad Yunus and Grameen Bank were awarded the Nobel Peace Prize.
	April. The National Assembly, held a public hearing about legislative bills of 'Establishment and Promotion of Social Enterprise' and 'Support Social Enterprise'.	April. Indicated the Civil Society's position to a public hearing of the National Assembly.	SEN organized the first Social Venture Competition for university students.
	May. The Ministry Employment and Labor, implemented follow-up projects to prepare the Act.	May. Held a meeting between heads of relevant organizations.	Individual social entrepreneurs criticized that definition and types of social enterprise provided by the government is very limited and not financially sustainable.

	-	June. Launched the Civil Society solidarity for Social Enterprise Development.	
		August. Urged to establish an act that fits the current Korean society situation and can develop social enterprise.	
	December. Established the SEPA.	-	
2007	April. Promulgated an enforcement ordinance on the SEPA.		
2008	-	Korea Central Council of Social Enterprise established.	
2009	The Ministry of Employment and Labor started to organize Social Venture Competition.	-	
2010	Community development model has been included as a social enterprise model in the SEPA.		
2011	The Ministry of Employment and Labor launched Young Social Entrepreneurs Promotion Project.		Beautiful Fellowship launched by the Beautiful Store.
	Definition of social venture firstly appeared on the KOSEA website.		
2012	Framework on Cooperative established.		Ashoka Korea established and Ashoka Fellowship launched.
	SEPA has been revised as considering cooperatives as an organizational form of social enterprise.		

2013	Community development model has been specified into community based work integration model, community based social welfare model, and social enterprise for social enterprise model.		

4.7 Conclusion

The brief history of Korean social enterprises shows the dynamics of the interactions between multiple actors concerning the development of the concept of social enterprise. The process of building the institutional meaning and the settings of an organizational form does not always lead peacefully to an agreed-upon consensus. The institutionalized definitions and settings of an organizational form sometimes neglect other concepts and ideas which are striving to be integrated into institutional fields.

Furthermore, the case of Korean social enterprises shows that history is often written mainly from the perspective of powerful actors. Although previous organizational forms of social enterprise have existed with different names throughout Korean history, the official history of the institution-building project of social enterprises has simplified its long history and diversities by taking on exclusively a top-down government perspective. The simplified history of social enterprise mainly written with the top-down perspective has therefore confused other actors who joined the field of social entrepreneurship recently.

5 Methodology and Research Design

5.1 Introduction

The aim of this methodology Chapter is to provide the link between the theoretical perspective adopted and the empirical field, in other words the level of the actual data emerging from my research. This Chapter, therefore, presents philosophical approach, research design process and methods, pilot study methods, fieldwork and data sources, and limitations of my research.

5.1.1 Philosophical Approach

I adopt the social constructionist view and the interpretivist paradigm to support my chosen analytical approach, namely, macro discourse analysis, in order to understand the phenomenon of the emergence of social enterprises in South Korea. Among the various social constructionist views, this research builds on macro social constructionism which "acknowledges the constructive power of language, but sees this as derived from, or at least related to, material or social structures, social relations and institutionalized practices" (Burr 2003: 22).

The sociology of knowledge approach to discourse developed by Keller (2006) based on social constructionism suggests that discourse analysis is the preferred method when focusing on "the social processes of knowledge production and circulation to symbolic structure and back to actors' orientation and practices in historical worlds of knowledge and meaning." According to this approach, the historical and collective dimensions of knowledge and knowledge-making practices are considered of fundamental importance because "social actors are embedded in the historical, a priori of established symbolic orders and institutionalized power/knowledge-regimes and their performance are beyond their control" (Keller 2006).

In my thesis, the interpretive paradigm will be employed because it enables me to gain a deeper understanding of how different values and the views of different

social groups and in a variety of social settings (Locke 2001) influence the emergence of different organizational forms of Social Enterprise in South Korea. As a matter of fact, according to interpretivists, meaning is not standardized from place to place or person to person. For this reason, this position is associated with a critical view depending on the discursive field. More specifically, a critical perspective in organizational discourse studies emphasizes "how discourse is used to produce, maintain or resist power, control and inequality through ideology and hegemony" (Mumby and Clair 1997). Therefore, dominant meanings in place are structured by multiple actors in a variety of positions, and not by a single actor (Hardy and Phillips 2004). These actors sometimes are involved in struggles against each other and actors may consequently produce a text and take actions in order to resist the dominant discourses which they are surrounded by (Hardy and Phillips 2004).

5.2 Research Site

5.2.1 Why Social Enterprises in South Korea?

Social enterprise is an interesting research topic for a variety of reasons. First of all, social enterprises are hybrid organizations that combine social and economic objectives. Because of the duality of organizational objectives, social enterprises are characterized by a broad spectrum of activities. Some social enterprises place greater emphasis on economic objectives rather than their social objectives, while others may instead emphasize more their social objectives.

Because of this duality within social enterprises, I often found from the start the idea of "social enterprise" to be confusing. Every time I attended conferences on social entrepreneurship, there was always a discussion on the definition of social enterprise. People usually ask one another "*are we really sharing the same thoughts on the concept and definition of social enterprise? Are we really talking about the same thing (social enterprise)?*" Nonetheless, most studies in the literature on the topic focus on the economic and social outcomes of social enterprises rather than on the conflicting meaning of the concept, even though many researchers in the field of social entrepreneurship come from different disciplines.

Back in 2006, when the government announced the definition of social enterprise in the Social Enterprise Promotion Act, I was already very confused about the meaning of social enterprise. This was due to the fact that the official definition of social enterprise was very different from what I had understood at that time. Although social enterprise had not been institutionalized as a new organizational form yet, it was understood to be an innovative business that can empower a certain group of people before the enactment of the SEPA. More specifically, following the global success of fairtrade and microcredit organizations, there was a tacit understanding concerning social enterprises. At that time, social enterprises were mostly seen as innovative businesses which were achieving social objectives neglected by businesses operating in a conventional way.

This is an interesting point for the following reason. In the SEPA, the official definition of Social Enterprise focuses limitedly on the employment of vulnerable people, subsidizing certified social enterprises for a certain period time – 3 to 5 years. Therefore, this limited official definition of Social Enterprise led to a certain confusion especially with the people who used to refer to the deinstitutionalized term of social enterprise before the enactment of the SEPA.

Nonetheless, the emergence of an official definition of Social Enterprise is one of the main reasons why South Korea represents a useful research site, because of the dynamic and co-existing diverse discourses of social enterprises. Until recently, in 2016, South Korea was the only country that had established a law to promote Social Enterprises and had provided specific criteria for the certification of Social Enterprises. During this institutionalization process, other social enterprises, which do not fit the criteria established by the government, have been officially precluded from calling themselves social enterprises. Consequently, alternative terms, such as social ventures, social innovative enterprises, or global social enterprises, have emerged in order to identify organizations pursuing both economic and social objectives at the same time, but which do not meet the certification criteria. As a matter of fact, the certification system for social enterprises provides a clear definition and specific criteria for Social Enterprises, which facilitates the comparison of the official discourse of social enterprises to other oppositional and alternative discourses in this national context.

5.2.2 Current State of Social Enterprise in South Korea

The following section will provide an overview of the current state of social enterprises in South Korea, by looking at the number of certified and uncertified social enterprises, and other forms of social enterprises. The number of certified social enterprises has been officially registered by the Ministry of Employment and Labor (MoEL) during the last ten years by location, sector, previous organizational forms, legal organizational forms and organizational model. As soon as the Ministry of Strategy and Finance established the Framework Act on Cooperatives in 2012, the official statistics on cooperatives also became available.

However, the official statistics on uncertified social enterprises (social ventures and social innovative enterprises) are still unavailable, because these firms are not registered as Social Enterprises under the act of the government. For this reason, I have collected the numbers for uncertified social enterprises from the ground mainly through newspapers and company websites. Uncertified social enterprises labeling themselves as social ventures, social enterprises, or social innovative enterprises have all been included in these statistics regardless of their founding year, business sector, and financial resources. The statistics show that uncertified social enterprises promoting oppositional or alternative discourses of social enterprises actually exist in the field, although they are not included in the institutionalized setting of social enterprises. The importance of the statistics of uncertified social enterprises is related to the fact that they contribute to providing an answer to the question "how do you know they exist when they are not institutionalized?"

Moreover, these statistics show us the dynamics of the field of Korean social enterprises and that different actors promoting different forms of social enterprise are competing against each other, although the field of social entrepreneurship appears to be dominated only by the official discourse of the government.

5.2.2.1 Social Enterprises Certified by the Ministry of Employment and Labor

Table 5-1 Number of Social Enterprises by Location

(Updated date: 2013. 12)

No.	Location	Number of SEs
1	Seoul	212
2	Incheon	55
3	Daejeon	28
4	Daegu	44
5	Gwangju	46
6	Ulsan	33
7	Busan	61
8	Sejong	3
9	Gyeongi	171
10	Kangwon	46
11	Chungnam	38
12	Chungbuk	46
13	Jeonnam	41
14	Jeonbuk	64
15	Gyengnam	42
16	Gyengbuk	58
17	Jeju	24
	Total	**1012**

(Korea Social Enterprise Promotion Agency 2013b)

As shown in Table 5-1, certified Social Enterprises are highly concentrated in the areas of Seoul and Gyeongi (37.8%). Gyeonggi is a province surrounding Seoul and it is the most populated area in South Korea. Because most culture and health facilities, government agencies, and business services are heavily concentrated in Seoul, the culture of social entrepreneurship has developed mostly within these metropolitan areas.

Table 5-2 Number of Social Enterprises by Social Service Sector

(Updated date: 2013. 12)

No.	Social Service Sector	Number of SEs
1	Nursing / housekeeping service	71
2	Education	67
3	Culture/Art	161
4	Health care service	11
5	Child care service	21
6	Social welfare service	102
7	Environment	159
8	Forest preservation	1
9	Others	419
	Total	**1012**

(Korea Social Enterprise Promotion Agency 2013b)

Social Enterprises in Korea are mainly concentrated in the culture, environment and social welfare services sectors. However, the specific social service sector of almost half of the social enterprises is unclear. The above table shows that 419 social enterprises are not categorized under any of the following social service sectors: 1) Nursing/housekeeping services, 2) Education services, 3) Culture/art services, 4) Health care services, 5) Child care services, 6) Social welfare services, 7) Environment services, or 8) Forest preservation services. This shows that certified Social Enterprises are concentrated on certain sectors such as culture and art, environment, and social welfare services.

Table 5-3 Number of Social Enterprises by Previous Organizational Form

(Updated date: 2012. 11)

No.	Previous Organizational Form	Number of SEs
1	Organizations supported by social work programs	471
2	Organizations supported by self-sufficient programs	87
3	Vocational rehabilitation center for the disabled	78
4	Cooperatives	13
5	Others	67
	Total	**716**

(Korea Social Enterprise Promotion Agency 2013b)

A social enterprise that wants to obtain a government certification needs to have at least 6 months of business experience (Korea Social Enterprise Promotion Agency 2013b). In that regard, every social enterprise, therefore, presents a previous organizational form, such as that of a vocational rehabilitation center for the disabled or a cooperative. Most of the certified social enterprises previously were organizations supported by social work programs, self-sufficient programs, or vocational rehabilitation centers for the disabled of the Ministry of Health and Welfare. This implies that most certified social enterprises had been previously supported and promoted by the government, even when they were not certified social enterprises.

Table 5-4 Number of Social Enterprises by Legal Organizational Form

(Updated date: 2012. 11)

No.	Legal Organizational Form	Number of SEs
1	Company/limited partnerships	335
2	Corporations/associations	158
3	Non-profit, non-governmental organizations	112
4	Social welfare corporations	82
5	Living cooperatives	13
6	Agricultural cooperatives	16
	Total	**716**

(Korea Social Enterprise Promotion Agency 2012)

Article 8 of the SEPA defines the requirements and procedures for the certification of Social Enterprises. The first requirement that a social enterprise should meet to obtain certification is related to the form of the organization. The act requires social enterprises to have a certain legal organizational form which is "a corporation or association as defined in the Civil Act, a company or limited partnership as defined in the Commercial Act, a corporation established under any Special Act, or a non-profit, non-governmental organization" (Social Enterprise Promotion Act 2006).

An interesting fact about these statistics is that some cooperatives have actually obtained the social enterprise certification from the government. Even though the Korean Social Enterprise Promotion Agency (KOSEA) stated that the cooperative movement in the 1960s is at the origin of the current Korean social enterprise, the SEPA does not consider all cooperatives to be social enterprises. This implies that the SEPA is a legal framework which oversees certain social entrepreneurship activities across the country, but it does not include all the various possible forms of social enterprise.

Table 5-5 Number of Social Enterprises by Organizational Model

(Updated date: 2012. 11)

No.	Organizational Model	Number of SEs
1	Job-creation model	433
2	Social service provision model	49
3	Mixed model	122
4	Local community contribution model	8
5	Others	104
	Total	**716**

(Korea Social Enterprise Promotion Agency 2012)

In 2012 more than half of the Social Enterprises had taken the job-creation model as their organizational model. This shows that most certified social enterprises aim to create job opportunities for the vulnerable, rather than achieving other social values. The other types of social enterprise amount to 104 out of 716, which does not

represent a small number of social enterprises at all. Large numbers of the other types of social enterprise show that many social entrepreneurs still take into consideration other social objectives besides the aims of providing job opportunities or social services.

5.2.2.2 Social Venture / Social Innovative Enterprise (Updated date: 2014. 01)

From the previous discussion, it is clear that the government acknowledges the existence of social ventures and social innovative enterprise in South Korea. The KOSEA describes social ventures as businesses which have the merits of being able to operate with a more challenging spirit and greater levels of creativity through various types and shapes which are free from the established standards (Korea Social Enterprise Promotion Agency 2013c). Also, some social ventures have actually emerged thanks to the government's support, such as the "Social Venture Competition" and "Young Social Entrepreneurs Project."

Nonetheless, there are no official statistics on the number of social ventures or social innovate enterprises in South Korea, because these are alternative terms which are used interchangeably to identify uncertified social enterprises. For this reason, I collected a more complete set of data on Korean social ventures and social innovative enterprises from online news, reports and social ventures/social innovative enterprises' websites to analyze their characteristics and differences in comparison to government certified social enterprises.

Google and the most popular Korean search engine Naver (http://www.naver.com) have been used as online document searching tools. First, I used for both search engines the keywords "social venture" and "social innovative enterprise." Then I made a list of these with references to their webpages or the newspaper which had introduced their activities as social ventures or social innovative enterprises. Afterwards I accessed each of their webpages to collect the relevant data about their business sectors, founding year, and if they had received support from the government or private foundations.

Table 5-6 Number of Social Ventures and Social Innovative Enterprises

Social Ventures	Social Innovative Enterprise	Total
112	15	**127**

The online data collection led to the identification of a total of 127 social ventures and social innovative enterprises. Social venture seems to be a more familiar and usual term than social innovative enterprise. This is because of the government's social venture promotion policies, such as the Social Venture Competition and the Young Social Entrepreneurs Project, which have been mentioned previously.

However, 11 out of 112 social ventures identify themselves as both social ventures and social innovative enterprises. This shows that these two terms have been used by people vaguely and randomly without a clear definition.

Table 5-7 Number of Social Ventures/Social Innovative Enterprises by Founding Year

No.	Founding Year	Number of Social Ventures
1	2000	1
2	2002	1
3	2005	1
4	2006	2
5	2007	2
6	2008	3
7	2009	10
8	2010	8
9	2011	20
10	2012	43
11	2013	29
12	2014	1
13	None	6
	Total	**127**

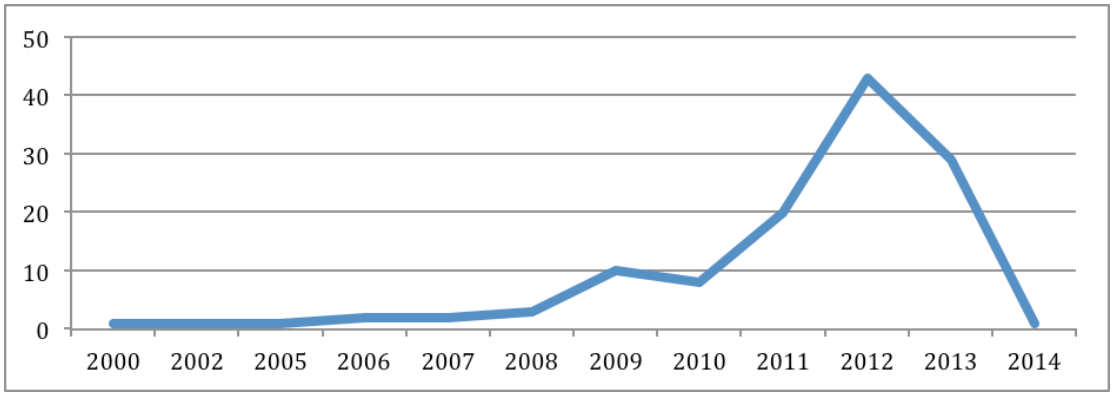
The first social venture was established in 2000, 6 years before the SEPA emerged. It is not clear, however, whether this company called itself a social venture from its founding or after the SEPA was introduced. A total of 3 social ventures were established before the SEPA and none of them are certified as social enterprises.

Table 5-8 Social Ventures Established before the SEPA

No.	Sector	Name	Founding Year	Preliminary Certification	Government Support
1	IT/Sharing	Blue Gale	2000	2012 Preliminary SE	-
2	Investment	Crevisse Partners	2002	-	-
3	Culture	Nanum Now	2005	-	Seoul Sharing Economy Enterprise

Nevertheless, it is important to recall that in 2012 Blue Gale became a preliminary social enterprise and Nanum has now been promoted as one of the sharing economy enterprises in Seoul, as shown Table 5-8.

Figure 5-1 Number of Social Ventures/Social Innovative Enterprises by Founding Year



The number of social ventures has greatly increased between 2011 and 2012. As a matter of fact, since 2011 the Young Social Entrepreneurs' Promotion Project hosted by the KOSEA started to promote social entrepreneurial activities among young people by providing financial and business management support. This project may have contributed to the increase in the number of social ventures. More specifically, 10 out of 63 social ventures have actually been established through this project in either 2011 or 2012.

Table 5-9 Number of Certified Social Enterprises and Preliminary Social Enterprises

No.	Category	Number of Organizations
1	Certified SE	9
2	Preliminary SE	12
	Total	**21**

Some social ventures/social innovative enterprises became certified social enterprises or preliminary social enterprises after a few months or years of social venture experience. Currently, 21 out of 127 social ventures are officially government certified (preliminary) social enterprises.

Table 5-10 Number of Social Ventures who Received Government Support
(among uncertified social ventures)

No.	Government Support	Number of Social Ventures
1	Received (more than once)	17
2	Not Received	89
	Total	**106**

There are also social ventures which have not yet received any government support after their establishment. As a matter of fact, 89 out of 106 uncertified social ventures have not received any government funding or other forms of support, as opposed to 17 which have.

Table 5-11 Number of Social Ventures who Received Non-governmental Support

(among uncertified social ventures)

No.	Non-governmental support	Number of Social Ventures
1	Received	6
2	Not Received	100
	Total	**106**

A total of 6 out of 106 uncertified social ventures have received non-government support or an overseas certification. Among these, it is important to recall the case of Delight which has obtained a B Corp Certification, given by the non-profit B Lab to those corporations who "meet the standards of social and environmental performance, accountability, and transparency" (B Corporation 2014).

Other 5 social ventures have been supported by the Beautiful Store, which is a certified social enterprise. The Beautiful Store has been supporting social ventures since 2011 and they call the CEOs of their selected social ventures "beautiful fellows." A total of 9 social entrepreneurs have been promoted as "beautiful fellows", and 3 of their social ventures are actually Seoul preliminary social enterprises (Beautiful Store 2014).

This Beautiful Fellowship, which is the only non-governmental social venture promotion program, started when Won-soon Park, the current mayor of Seoul, was the CEO of the Beautiful Foundation. Since he has implemented many social entrepreneurship promotion policies as the mayor of Seoul, he represents a key person who has encouraged social entrepreneurship in Korea, mainly in Seoul as a civil activist and an administrator.

Table 5-12 Social Ventures which Have Imported their Business Model from Overseas

No.	Social Venture	Imported Country
1	Hub Seoul	UK
2	Quest Runner	Australia
3	Seoul Social Innovation Camp	UK

Three social ventures have imported their business model from other countries, mainly the UK. The head offices of Hub Seoul and Seoul Social Innovation Camp are actually located in the UK, while Quest Runner's head office is in Australia.

Table 5-13 Number of Social Ventures by Location

No.	Location	Number of Social Ventures
1	Seoul	95
2	Busan	4
3	Chungnam	1
4	Daegu	2
5	Daejeon	4
6	Gwangju	1
7	Gyeonji	10
8	Jeju	2
9	Jeonbuk	1
10	Jeonnam	1
11	Gyengbuk	1
12	N/A	5
	Total	**127**

Similar to certified social enterprises, social ventures and social innovative enterprises are mainly located in metropolitan area of Seoul. This is because of the

fact that opportunities to access information are limited in other provinces because the main social entrepreneurs' networks and universities are highly concentrated in Seoul. Also, the concepts of social ventures and social innovative enterprises are quite new, compared to that of social enterprises, so people in other provinces might not be very familiar with these terms.

Table 5-14 Number of Social Ventures by Business Sector

No.	Sector	Number of Social Ventures
1	Consulting	3
2	Crowd funding	7
3	Culture/Art	27
4	Education	23
5	Design	6
6	Sharing economy	18
7	Employment	2
8	Environment	21
9	Investment	4
10	IT/Technology	13
11	Manufacturing	1
12	N/A	2
	Total	**127**

Social ventures are mostly involved in the cultural, educational, or environmental sectors. Interestingly, there are comparatively many social ventures in the crowd funding, IT, or sharing economy business sector, whilst only a few are certified social enterprises. This clearly implies that social ventures are more innovative and creative, while placing a greater emphasis on entrepreneurship rather than on delivering social welfare services.

5.2.2.3 Government Registered Cooperatives (Updated Date: 2013. 12)

In 2012 the Ministry of Strategy and Finance established the Framework Act on Cooperatives, which promotes and supports the establishment and operation of cooperatives. The law defines a general cooperative as "a business organization that intends to enhance its partners' rights and interests, thereby contributing to local communities by being engaged in the cooperative purchasing, production, sales, and provision of goods or services" (Ministry of Strategy and Finance 2012). A social cooperative is "a cooperative that carries out business activities related to the enhancement of rights, interests, and welfare of local residents or provides social services or jobs to disadvantaged people, among cooperatives, but that is not run for profit" (Ministry of Strategy and Finance 2012). Interestingly, the definition of social cooperative is very similar to that of social enterprise, since both of them are business organizations aiming to achieve social objectives, such as providing social services or work opportunities to disadvantaged people. Moreover, also the characteristics of certified social enterprises and registered social cooperatives are very similar to one another, as shown in Table 5-15.

Table 5-15 Main Characteristics of Certified Social Enterprises and Registered Social Cooperatives

	Certified Social Enterprise	Registered Social Cooperative
Legal Organizational Form	Company/limited partnership, corporation/association, non-profit organization, cooperative	Non-profit Association
Main Business Activities	Business activities should aim to enhance the quality of life of community residents by providing vulnerable social groups with social services or job opportunities, or by contributing to the communities.	More than 40% of the entire business activities of a cooperative should contribute to the local community, to provide disadvantaged people with social services or jobs in the areas of welfare, medical services, or the environment, or to enhance public interest.
Legal Reserves	Only cooperatives certified as social enterprises set legal reserves.	A surplus after the settlement of accounts for a fiscal year.
Distribution of Surplus	Shall use at least 2/3 of profits for social objectives.	Prohibited

(Ministry of Employment and Labor 2006; Ministry of Strategy and Finance 2014)

However, unlike the Social Enterprise Promotion Act, the Framework Act of Cooperatives includes a registration system, and not a certification system. Therefore, obtaining the registration as a cooperative is not a competitive process, unlike the case of a certified social enterprise.

Table 5-16 Number of Registered Cooperatives by Organizational Type

(Updated date: 2013. 12)

No.	Organizational Type	Number of Cooperatives
1	General Cooperatives	3,210
2	Federation of General Cooperatives	14
3	Social Cooperatives	111
4	Federation of Social Cooperatives	1
	Total	**3,336**

(Ministry of Strategy and Finance 2014)

After the establishment of the Framework Act on Cooperatives, the number of registered cooperatives has increased enormously. Most of them are general cooperatives and social cooperatives that have similar characteristics to social enterprises and amount to only 111 out of 3,336. Some of the registered social cooperatives are also certified social enterprises.

Table 5-17 Number of Registered Cooperatives by Competent Local Government

(Updated date: 2013. 12)

No.	Competent Local Government	Number of Approved Cooperatives
1	Seoul	967
2	Busan	193
3	Daegu	129
4	Incheon	95
5	Gwangju	270
6	Daejeon	118
7	Ulsan	58
8	Gyeng-gi	459
9	Kangwon	111
10	Chungbuk	96
11	Chungnam	108
12	Jeonbuk	188
13	Jeonnam	131
14	Gyeongbuk	116
15	Gyeongnam	112
16	Jeju	46
17	Sejong	13
	Total	**3,210**

(Ministry of Strategy and Finance 2014)

According to the law, each cooperative has to report its founding to the competent local government which has jurisdiction over its main business location (Ministry of Strategy and Finance 2012). Similar to certified social enterprises, cooperatives are highly concentrated in the metropolitan area of Seoul and the province area of Gyeong-gi.

Table 5-18 Number of Registered Social Cooperatives by Related Central Administrative Agencies

(Updated date: 2013. 12)

No.	Related Central Administrative Agency	Number of Registered Social Cooperatives
1	Ministry of Strategy and Finance	21
2	Ministry of Education	16
3	Ministry of Science, ICT and Future Planning	-
4	Ministry of Foreign Affairs	1
5	Ministry of Security and Public Administration	2
6	Ministry of Culture, Sports and Tourism	6
7	Ministry for Food, Agriculture, Forestry and Fisheries	7
8	Ministry of Trade, Industry and Energy	4
9	Ministry for Health and Welfare	13
10	Ministry of Environment	3
11	Ministry of Employment and Labor	27
12	Ministry of Gender Equality and Family Affairs	5
13	Ministry of Land, Infrastructure and Transport	1
14	Ministry of Oceans and Fisheries	-
15	Small and Medium Business Administration	3
16	Korea Forest Service	2
Total		**111**

(Ministry of Strategy and Finance 2014)

According to the law, the establishment of social cooperatives should be authorized by the related central administrative agency. Most social cooperatives are related to the Ministry of Employment and Labor, which also has the right to certify social enterprises, and the Ministry of Strategy of Finance, which is the head administrative agency which authorizes cooperatives. This shows that social cooperatives mainly aim to promote job opportunities to the vulnerable, as in the case of certified social enterprises.

5.3 Data Collection

5.3.1 Getting Access

Although I worked in the field of social entrepreneurship in South Korea mostly between 2010 and 2012, I was aware that it would be difficult to recruit interviewees. I knew that individuals and social entrepreneurs were already tired of participating in surveys and interviews. Even during my fieldwork, some interviewees complained about too many surveys and interviews going on in the field:

> "*We are so sick of having to do surveys and interviews. I understand that it is necessary to know the field correctly and closely, but too many surveys and interviews distract social entrepreneurs from their work. As a matter of fact, most social enterprises are struggling with overstretched workload and lack of workforce. Actually, not asking social entrepreneurs to participate in surveys and interviews is helping them to focus on their work more and achieve greater outcomes. (BC1, CEO, A SE, 19 June 2014, 17:49PM-19:20PM)*"

Clearly, outlining the current status of social enterprises and the outcomes of governments' investments promoting Social Enterprise all represent hot research issues not only for scholars but also for government bodies. More specifically, while in the field, I needed to explain what my research was about and how my research differs from other works in order to convince potential interviewees to participate. When I sent initial emails to potential interviewees, I emphasized that my research approaches the development of social enterprise in South Korea differently, as I wanted to explore bottom-up approaches rather than top-down approaches, which has already been done by many researchers and by the government. In particular, many social entrepreneurs who have been working in the field even before the enactment of the SEPA expressed strong interests, and they agreed to take part in my research.

In order to organize interviews, I first selected the names of people who in 2006 participated in the legislative process of the SEPA. Among them, I started to contact the people who I had already met when I worked in the field. Because I had not kept in touch with most of them over one or two years, I had to explain when,

where and how we met in the past, how I started my Ph.D. and what was the focus of my research. Almost all of them immediately agreed to have an interview with me, and at the end of the interview they also gave me the names and contacts of other potential interviewees I wanted to meet. When I contacted a person introduced by previous interviewees, I mentioned the name of the person who gave the contact details to me. In most cases, I contacted them by phone or email and asked them to participate in my research. All of them, again, agreed to participate in my research immediately. As a result, I was able to interview almost everyone I had planned to by the end of the fieldwork.

Nonetheless, it was difficult to find social entrepreneurs who are running an independent social venture or a social innovative enterprise. As discussed in Section 5.5.2.2, the vast majority of social ventures and social innovation enterprises are not large. Also, because they are not institutionalized, it was also hard to identify which organizations to interview. For this reason, I contacted the Deputy Director of an organization which in 2006 held the "Social Venture Competition" for the first time in South Korea. I also got in touch with the CEO of a social venture which was to first called themselves so in 2002. At the end of both interviews, I asked them to introduce me to any social ventures which are contributing to the development of the field.

Despite continuous efforts to meet and interview more people in the non-institutionalized field of social enterprise, it was hard to increase the number of interviewees who are promoting bottom-up discourses. Justifying who are the bottom-up actors promoting alternative discourses was even more difficult especially because these actors do not generally define themselves as being involved in social entrepreneurship by clearly using the term social enterprise, social venture, or social innovation enterprise. Nevertheless, there are some bottom-up organizations and activities who have potential to be considered as a social enterprise or social entrepreneurship. Most of them have been self-defined as a social movement or alternative organizations, but I believe that my role as a researcher is not to judge and inform these independent organizations if they actually qualify as a social enterprise or not. For this reason, in this research, organizations or actors who do not officially and explicitly call themselves as social enterprise were not included at this stage of data analysis.

Although, many interviewees replied to my invitation immediately, it was quite a struggle to arrange interviews with politicians and government officers. For example, I have contacted a member of the National Assembly who proposed a legislative bill and a revised bill of the SEPA in 2006 and 2010 through his personal aide. The aide agreed to ask the member of the National Assembly to have at least an email interview, but I did not hear back from this person even after sending the interview questionnaire and calling him more than five times. Likewise, it was almost impossible to obtain the contact details of government officers who were mostly responsible for developing and organizing the policy plan of the SEPA: first, the contacts of senior officials are kept confidential; and second, tracking the current positions of key government officers who participated in the initial legislative process of the SEPA was hard because officers are rotated to different teams almost every year in order to increase the transparency of the government.

Apart from politicians and government officers, in many cases interviewees accepted a participation invitation as soon as I called or emailed them and agreed to have an interview with me in person. Moreover, some interviewees invited me to informal meetings, such as dinner out or having a coffee. Due to confidential reasons, I did not include the informal conversations we had for data analysis. However, such opportunities helped me greatly to increase my understanding of the field.

I have recorded all the conversations I had with interviewees. However, a few interviewees asked me not to record our conversation. Therefore, instead of recording the conversation, I took a note of the interviewees' answers.

I knew that some researchers do not like to be identified as a researcher based in an overseas university because they are concerned that their interviewees may see them as disconnected. However, my identity as a doctoral researcher at Warwick Business School, UK, actually helped me a lot to gain access during my fieldwork. The reason for this is that in South Korea people who are studying or have studied overseas, especially at a high ranked international university, usually have a better reputation for research excellence.

5.3.1.2 Atmosphere of the Field

During my fieldwork in South Korea between March and August in 2013, there was increasing tension between government-related actors and bottom-up actors, such as civil activists and the solidarity groups, in relation to the establishment of the Social Economy Act. Interestingly, I was able to observe some formal and informal meetings which focused on the enforcement of the Social Economy Act. In 2013, the government announced that they were discussing the legislation of the Social Economy Act. More specifically, they were considering the term social economy as a broader legislative framework over the SEPA and over the Framework Act on Cooperatives, as a result of the constant criticisms from the field concerning limited scope of definition, of business activities and of organizational forms of Social Enterprise.

Although the enactment plan of the Social Economy Act was based on the criticisms received from various actors in the field, not all actors agreed with the legislative plan of the Social Economy Act. Similar criticisms which actors had previously put forward with regard to the SEPA emerged again, such as the following: "*the field has not matured yet to adopt a new policy*", "*The Social Economy Act is another name of the SEPA, but the government is trying to rename it for a political reason in order to present it as an achievement of the current presidency*", and "*research on the actual field of social economy or enterprise is still lacking*."

The generation gap between people promoting different discourses in the field was also a big issue, especially with regard to actors who have been constantly promoting social economy or cooperative discourses since 1990s, and actors who are promoting a social innovative discourse. For those actors who have been in the social entrepreneurship field since the 1990s, the term social venture or social innovative discourse represents something new which popped up from the middle of nowhere. For example, one interviewee asked me about young social entrepreneurs who are promoting social innovative discourse:

> "*I still do not understand where they come from. I haven't met any of them even though I am active in the social entrepreneurship field since early 2000s. And they*

never communicate with us. But they are promoting themselves as social entrepreneurs. That sounds so weird to me. Could you please explain how their social entrepreneurial activities have started and what led them to start social enterprise activities? I guess you have greater experience on the modes in which the social entrepreneurial activities of the younger generations take place. (DH3, Researcher, V University, 11 July 2014, 10:15AM-12:20PM)"

During the interviews, most of the young social entrepreneurs who were promoting social innovative discourses also mentioned that they feel quite distant from the older generation. One of my interviewee pointed out that the gap between the old and young generation derives from a misunderstanding of each other in the field, as follows:

"*Promoting social entrepreneurship activities is more important than the development of the concept of social entrepreneurship. I personally think that the gap between the old and young generations emerged due to issues related to legitimacy. The old generation considers the social entrepreneurship activities and discourses they have been promoting as the legitimated and recognized form of social enterprise. (EJ0, CEO, C Investment, 2 June 2014, 10:35AM-12:00PM)*"

As testified in the previous quotes, it was clear from the interviews that the old and young generations have different understandings, backgrounds and opinions on social entrepreneurship. However, during my fieldwork I also observed the possibility of understanding each other and working together, as pointed out by EJ0:

"*The old generation is interested in how we keep our organizations so that they are financially sustainable. Other forms of social enterprises, including certified social enterprise, cooperatives and self-sufficient enterprise, have been struggling with financial sustainability and independence from government subsidies. So the old generation, including the KOSEA, intermediary organizations and certified social enterprises, are starting to approach us and communicate with us to work together in order to scale up their businesses. (EJ0, CEO, C Investment, 2 June 2014, 10:35AM-12:00PM)*"

5.3.2 2-Stage Approach in Line with Grounded Theory

In this section, I introduce my pilot study and detailed study in line with grounded theory. I used qualitative research methods for this project in order to capture the interactions between actors during the emergence process of Korean social enterprise. I inductively analyzed multiple data sources which were collected during my fieldwork following a strategy developed on the basis of grounded theory as a research methodology. Macro discourse analysis was used in order to analyze the patterns of interactions between actors who are located in different social positions who promote different discourses to be accepted in the institutional field. Why and how the research methods are adopted is explained in the following sections in greater detail.

5.3.2.1 Qualitative Research

To date, explanatory and descriptive research has mostly been developed through conceptual studies which measure the definitions and basic concepts in the field of social enterprise (Muñoz 2010). Qualitative methods, rather than quantitative studies, have often been adopted to analyze the relationships between major stakeholders and social enterprise (Muñoz 2010). Above all, a lot of case studies have been conducted, since they contribute to developing theories in an emerging research field with regard to its validity (Eisenhardt 1989). Case studies on social entrepreneurship have helped to verify the existence of social enterprises and their important role in changing business culture (Short, Moss, and Lumpkin 2009). However, to date there is no theory that can explain the phenomena of the emergence of social enterprise.

Since this research focuses on the emergence process of social enterprises in Korea on the basis of different social actors' perspectives and activities with regard to the concept of social enterprise, data needs to be gathered by "talking directly to people and seeing them behave and act within their context" (Creswell 2009: 175). Moreover, this research aims to identify the patterns of the emergence of organizations by focusing on the case of social enterprises in Korea, and to build a

theory of these patterns, thanks to categories and themes which emerge from the data, taking an inductive process for data analysis. Therefore, in this research, qualitative research will be conducted with multiple sources of data including interviews, documents, and observations.

5.3.2.2 Grounded Theory

In my research, grounded theory has been used as a research methodology while discourse analysis represents the research method. More specifically, grounded theory has been used as a systematic guideline in order to design the whole inductive research process (Charmaz 2001).

Strauss and Corbin (1994) state that "grounded theory requires that the interpretations and perspectives of actors on their own and others' actions become incorporated into our own interpretations." On the basis of this consideration, grounded theory, as developed by Glaser and Strauss (1967), will be adopted to generate the theory of the emergent process of social enterprise by focusing not only on the influencing factors but also on how they affected the different concepts and social actors in play. According to Creswell (2009: 13), grounded theory is "a qualitative strategy of inquiry in which the researcher derives a general, abstract theory of process, action, or interaction grounded in the views of participants in a study." Similarly, Corbin and Strauss (1990: 24) define the grounded theory approach as "a qualitative research method that uses a systematic set of procedures to develop an inductively derived grounded theory about a phenomenon." On the basis of the previous considerations, grounded theory, in short, is "the discovery of theory from data" according to Glaser and Strauss (1967) and it is different from other research methods in terms of discovering theories, instead of verifying existing theories (Reijonen and Komppula 2007).

More specifically, Locke (2001) emphasizes that grounded theory can contribute to the development of organizational theories since it can reflect the development processes of human actions and perceptions over time. In addition to this, grounded theory can also help to develop and analyze the reciprocal relationships between data and theory. Also, Simpson, Tuck, and Bellamy (2004:

482) mentioned that it "also permits investigation into new areas of significance as they emerge from the data."

Taking grounded theory as a research method, phenomena were observed and studied to draw generalized theories in an emerging research field. The data which was collected helped me to describe and interpret new phenomena of new theories. This proposed process represents an inductive way of theory building, since a theory is generalized and developed through observations and empirical evidence based on the real world (Locke 2001).

Grounded theory, in that sense, can be used in social enterprise research even though De Burca and McLoughlin (1996) mention that grounded theory as a research method is not commonly used in business management research. However, this approach is particularly appropriate for this research due to the characteristics of social enterprise, considering that the socio-economic environment influenced the emergence of each individual type of social enterprise in different ways, and that social enterprise research is still at a fundamental level and lacks a clear theoretical framework.

5.3.2.3 Pilot Study

Aim of the Pilot Study

The aims of the pilot study are divided between methodological and theoretical purposes. From a methodological point of view, I conducted the pilot study mainly to minimize the problems that can occur during any stage of research, as discussed by Vaus (2001: 54): "Do not take the risk. Pilot test first." As a matter of fact, the pilot study helped me to develop ideas on how to recruit interviewees and communicate with them. Moreover, the results of the pilot study also provided an opportunity to revise questionnaires.

Second, as a first user of grounded theory, I relied on the pilot study as an opportunity to understand the research process in greater depth. More specifically, the pilot study helped me in particular to understand the data collection and data analysis process further and to develop data analysis skills.

Third, the pilot study provided me with an idea of time management for the entire research process. No responses from interviewees and long intervals of time for responses to email questionnaires enabled me to estimate how long recruiting and interviewing would take in the field.

From a theoretical point of view, the aim of this pilot study was to confirm the diverse emergence processes of Korean social enterprises and their co-existence. Luckily, social entrepreneurs running uncertified social enterprises showed their interests in participating in the research from the start. These interviews with social entrepreneurs in different forms of social enterprise helped me to confirm the movements of bottom-up actors against the SEPA.

Pilot Study Research Method

In terms of method for the pilot study, electronic interviews were conducted via email. This was selected as the preferred research method since face-to-face interviews represented a limited option for interviewees located in Korea while I was in the UK.

An advertisement to recruit voluntary interviewees was posted on the Facebook group "Social Entrepreneurship Forum in South Korea (https://www.facebook.com/groups/SEForum/)." I posted an invitation letter addressed to any social entrepreneur or individual who was simply interested in social enterprises and was willing to participate in the research. Interviewees were expected to have some sort of experience related to social entrepreneurial activities in Korea and to identify themselves as social entrepreneurs. It is important to recall that the invitation letter did not present a specific definition of social enterprise, social entrepreneurial activity, and social entrepreneur because this could have biased their perceptions of the phenomenon.

As soon as the invitation letter was posted on the Facebook group, three people immediately expressed their interests in participating in my research. Even though three people represented a small sample group of interviewees, individual electronic interviews were conducted as soon as they expressed their interest. Snowball sampling, moreover, was adopted in order to identify more potential interviewees who were well informed in the field. As a result, 13 interviews were

carried out by email in writing and 9 of them completed the given questionnaire. The overall response rate was of 69.2%.

Table 5-19 Identification of the Pilot Study Interviewees

	Category	Emergent Process	Number of Interviewees
1	Certified Social Enterprises	Top-down	1
2	Social Ventures	Bottom-up	4
3	Intermediary Organizations	Top-down	1
4	Cooperatives	Top-down	1
5	For Profit Enterprises (CSR)	Bottom-up	1
6	Academia	Top-down	1

All of the interviewees were asked to also fill in a consent form before they started the interviews. In terms of knowledge of the field, all of them are well informed on social entrepreneurship in Korea. More specifically, Table 5-19 shows the identification of the pilot study interviewees. Among them, only one interviewee was the CEO of a government certified Social Enterprise, while the four other respondents were CEOs of social ventures which have not been certified by the government as Social Enterprises. The interviewees also represented small-medium sized enterprises, intermediary organizations, cooperatives and academia, one for each category. As a result, this pilot study collected a variety of opinions and information on the different aspects of social entrepreneurship in Korea.

Each interviewee was asked open-ended questions on the definitions and main characteristics of social enterprise. They were also asked to explain the history of the Social Enterprise Promotion Act in relation to the socio-economic, political, and cultural environments connected with the establishment of the Act, based on their personal experiences. These questions helped to identify the basic theoretical categories that can contribute to building a typology of different types of emergence of social enterprises. More questions were then raised on the basis of interviewees' responses, knowledge and their experience of the research topic. The interview questions I asked are provided in the Appendix.

With regard to data analysis processes, the interviews were coded in Korean first, and then the codes were translated from Korean to English because "meanings

are easier to appreciate in the native language than in a translation" (Urquhart 2012: 105).

The identity of the individuals interviewed is kept confidential and the data given by these interviewees is used solely for the purposes of this pilot study. Also, interview transcripts were analyzed by selective coding rather than open coding.

Using the Pilot Study to Inform Subsequent Data Collection

The results of this pilot study confirm that there is a bottom-up movement in the social entrepreneurship field while the government at the same time controls the field in Korea through the certification system. From this pilot study, it is clear that Korean social enterprises are called by different names, including government certified social enterprises, preliminary social enterprises, self-sufficient enterprises, social ventures, social innovative organizations, cooperatives and others. This implies that some social enterprises have emerged before or after the Social Enterprise Promotion Act in 2006 and that the world of Korean social enterprise varies due to its history, socio-economic and political background which are all reflected in the emergence, organization types and characteristics of social enterprises.

The results of the pilot study confirmed the study hypothesis of Korean social enterprises as emerging through either a top-down or bottom-up process. Social enterprises that have emerged through a top-down or a bottom-up process can be identified as such depending on them being certified or not. Social enterprises, including preliminary social enterprises, self-efficiency enterprises and cooperatives can obtain certifications from the government and therefore, in the pilot study they are considered as top-down emerged social enterprises. On the other hand, there are social ventures and social innovative organizations which have emerged spontaneously and have not attempted to get a certification. Therefore, they are identified as bottom-up emerged social enterprises.

The Ministry of Employment Labor (MoEL), however, has tried to include bottom-up initiatives by organizing the "Social Venture Competition" every year since 2009. Some of the social ventures who won a prize in the competition have already become certified Social Enterprises. However, on the other hand, there are

also some social ventures which are not interested in getting a certification, along with the government subsidies. In addition to these, it is important to recall that the cooperatives also had started to emerge during the 1940s for the first time as a bottom-up emergent model of social enterprise. However, when the Framework on Cooperatives was institutionalized in 2012, the cooperative initiatives were also taken over by the government.

From the findings of the pilot study, I was able to confirm that the research on certified Social Enterprises is limited and does not to date capture the whole picture of the emergence of Korean social enterprises. Moreover, another research question emerged during this phase of my research in relation to the backgrounds and motivations of social entrepreneurs when choosing different routes for social enterprise activities. More specifically, why do some social entrepreneurs want to obtain the government certification while others prefer not to?

Core Categories of the Emergence of Korean Social Enterprises

The core categories of the determining factors which influence the emergence of Korean social enterprises were roughly identified from the pilot study, as shown in the Table 5-20. These categories have emerged from the interviewees' knowledge and descriptions on the history of Korean social enterprises. Four core categories have been identified: political, economic, social, and technological environment changes.

Table 5-20 Core Categories and Key Factors for the Emergence of Korean Social Enterprises

Core Category	Key Factors	Year
Political environment changes	Japanese colonial occupation	1940s
	Government's social enterprise promotion policies	2006
Economic environment changes	Korean financial crisis in 1996 – Unemployment	1996
	Financial difficulties of Civil society	1990s-2000s
Social environment changes	Development of the level of education	1990s
	Civil movements were active	2000s
Technological environment changes	Development of the level of technology	2000s

Looking at the changes in the political environment, it is important to recall that the government's social enterprise promotion policy mainly affected the emergence of social enterprises in 2006. Interviewees, however, emphasized that the first Korean social enterprise was a cooperative that emerged as a reaction to the Japanese colonial occupation in the 1940s.

Second, the Korean financial crisis of 1996 represents another factor which hugely affected this field. Interviewees remembered that their life changed greatly as a result of the financial crisis. Not only themselves, but also their friends and family lost their jobs. As a matter of fact, the financial crisis resulted in high unemployment rates and for this reason the government started to support self-sufficient organizations in order to increase employment rates by paying employees' payroll costs (Kwon 2002). Big corporations also restructured themselves in a way that could increase effective management but this also caused a strong polarization between the rich and the poor. The government also reduced tax inputs. However, this was in turn related to delays in the delivery of public services due to the fact that the government's financial support towards non-profit organizations had been reduced and limited over time.

The third factor which is worth mentioning is given by the young generation who benefitted from the fast economic growth of Korea and who can easily read and understand articles written in English. Therefore, they could easily take inspiration

from the social entrepreneurship movement abroad and this positively affected them when starting social activities which emerged bottom-up.

Fourth, a fundamental role in the emergence of social enterprises in Korea is also played by the development of technology, especially the Internet. Korea, one of countries with the highest Internet penetration, presents a well-developed ICT friendly environment and people, therefore, can easily access the international social entrepreneurship movement along with the innovative or success cases of other countries. This is especially true for young people, who are very capable of using the Internet, and were strongly impressed by these cases and for this reason started to be interested in doing social entrepreneurship activities by themselves.

Limitations of the Pilot Study

The pilot study presents a certain number of limitations. For this reason, the research method was subsequently reviewed and the fieldwork, which took place in March in South Korea, was carefully planned in order to remove these acknowledged limitations.

First, the sample of interviewees is not representative of all the social entrepreneurs in Korea. Consequently, the sample does not contain an equal number of social entrepreneurs in each sector; nor does it represent an equal number of top-down and bottom-up social enterprises. This is because interviewees were mainly contacted through a snowballing method and most of them volunteered to participate in the interviews. Furthermore, no interviewees from the government sector were involved in this pilot study. This was because the government officers who took part in the enactment process of the Social Enterprise Promotion Act have mostly moved to other departments, which made contacting them more difficult.

Second, it took a far longer time than expected to complete the planned interviews. This is one of the main limitations of electronic interviews, in the sense that with this type of interview you cannot receive prompt responses from the interviewees. Because of this limitation, some interviewees did not answer the emails while exchanging emails, although all of them initially agreed to participate in the pilot study.

Third, there is a possibility that the questions were too difficult to answer. A total of 4 out of 13 interviewees did not response to the second or third email asking about the history of social enterprise. Interviewees who joined the social entrepreneurship field after the establishment of the SEPA in 2006 and who did not have previous experiences in the field hesitated to provide a clear answer. However, they answered the questions based on what they had read and heard from others. Also, because interviewees were randomly and voluntarily recruited, it was hard to target a specific level of knowledge and experience of interviewees. This limitation led me to recruit interviewees who had worked in the field for more than 5 years and who had participated in the legislation process in order to increase the response rate as well as the depth of the answers provided.

Fourth, this pilot study represents a fieldwork and data analysis trial. For this reason, findings cannot be fully confirmed due to the lack of data, time and analysis skills. For example, the factors which influenced the emergence of social enterprises have not been specified according to the various main timelines, namely the 1940s, 1990s and 2000s. Nonetheless, the findings of this pilot study were helpful to identify the categories and key factors of the emergence of Korean social enterprises to be used in my research during the later stages.

Contribution of the Pilot Study to My Research

Although the pilot study was at a very rough stage of work with a good number of limitations, it still helped me to prepare and construct the fieldwork for the later stages of my research. From this pilot study, it was clear that Korean social enterprises are called by different names, including government certified social enterprises, preliminary social enterprises, self-sufficient enterprises, social ventures, social innovative organizations, cooperatives and others. This implies that some social enterprises have emerged not only after the Social Enterprise Promotion Act (SEPA) in 2006 but also before that date and that the world of Korean social enterprises varies due to its history, socio-economic and political background in terms of emergence, organization types and characteristics.

This has led to a number of new research questions emerging from the pilot study including the following: why do some social enterprises want to obtain the

government certification, whilst others prefer not to? What is the role of the government certification system and what has and has not been done by the government certification system? How can certified and uncertified social enterprises co-exist in Korea?

Moreover, the existence of various types of Korean social enterprises takes this research into the history of the Japanese colonial occupation era in the mid-20th century and into the early 1990s, the period of the financial crisis in Korea. One interviewee mentioned that the first Korean social entrepreneurship activities were mainly started bottom-up, by independent activists, as a reaction to the Japanese colonial government. These activities were called the "Buying Local Products Movement." If this is proven to be right by the documentary analysis of the last stages of this study, this implies that Korean social enterprises have a history of emerging from bottom up initiatives in the past, and not only from top down policies, as it seems to be the case at present. This consideration is linked to the following research questions: why and how have the emergent process of Korean social enterprises shifted from bottom-up to top-down? Which historical, socio-economic and political factors have affected this shift?

Since this is still a pilot study which was conducted before fieldwork, both documentary analysis and in-depth case studies were necessary in order to confirm and justify the main findings from the interviews which have been presented here. During my fieldwork, I collected related documents which had been published by the government, social enterprises, research institutions, media, and NGOs, as much as possible. From a methodological point of view, interviewees were selected again among those individuals who had experiences in being involved in the SEPA legislation process, and who had established social enterprises, or social ventures in the last 3 years and had started their activities around the time of the enactment of the SEPA.

After reviewing the literature on the topic, the field observations and the results of the pilot study, my research questions were eventually specified as follows:

"how do the interactions between different groups of social actors shape the emergence of a new organizational form?"

The next research question is more specifically based on the research context of the emergence of social enterprises in South Korea:

"how do the interactions between top-down and bottom-up actors shape the emergence of social enterprises as a new organizational form in South Korea?"

More specifically, three research questions were drawn from the above considerations.

First, how do social actors interpret the meaning of a new organizational form differently? How are the dominant discourses of social enterprise which emerge from government policies interpreted differently by social enterprises?

Second, how do social actors push their own discourse of a new organizational form to be accepted by powerful actors who can influence institutional changes? What are their discursive and practical strategies which influence the emergence of a new organizational form?

Third, how do tensions in defining social enterprise between different social actors influence the institution-building process of social enterprise?

5.3.2.4 Detailed Study

Data Collection Process

According to Dick (2005), grounded theory can be adapted to any kind of data collection strategies or methods, such as focus groups, individual interviews, and any other activity that can collect data from the real world. In this research, data has been collected from multiple sources, ranging from observations, to government documents, news articles, webpages and interviews. "Open-ended electronic interviews" were used at the beginning for preliminary data collection and analysis in

order to define the key concepts and to test the reliability of the interview questionnaire before commencing fieldwork. Interviewees were randomly chosen from the available interviewee list, including social entrepreneurs, experts, and government officials who have been actively involved in the establishment process of the SEPA in 2006. Second, based on the data analysis of the preliminary interview, the research questions and the interview questionnaire were edited and narrowed down. Third, in-depth and semi-structured interviews were conducted along with document collection during the fieldwork. Lastly, I also had the opportunity to observe a few official and private meetings between social entrepreneurs during my fieldwork.

Document Collection

The related documents were collected at the beginning of the fieldwork. Document collection and analysis were necessary to explore and confirm what a social enterprise is, what kind of discourses on social enterprise exist, how discourses on social enterprises are constructed over time, and which stakeholders are involved in the processes of institutional change.

Online Data Collection

Online data collection was done from online news articles, reports and social ventures'/social innovative enterprises' websites to confirm the existence of alternative types of social enterprise. Although the government acknowledges the existence of social ventures and social innovative enterprises in South Korea by describing social ventures as enterprises which have the merits of being able to commercialize with a more challenging spirit and creativity through various types and shapes which are free from the established standards (Korea Social Enterprise Promotion Agency 2013b), there are no official statistics on them.

For this reason, I collected data on Korean social ventures and social innovative enterprises from online news, reports and social ventures/social

innovative enterprises' websites to analyze their characteristics and differences from government certified social enterprises.

Google and the most popular Korean search engine Naver (http://www.naver.com) were used as online document searching tools. First, I searched on both search engines using the keywords "social venture" and "social innovative enterprise" and then I made a list of all the social ventures and social innovative enterprises with the related references. After I completed this list, I accessed their webpages to collect relevant data on their business sectors, founding years, and whether they had received support from the government or from private foundations.

Government Documents

Documents related to the government were collected during fieldwork in order to understand what the government has actually done to promote social enterprises. During this process, documents on cooperatives, self-sufficient enterprises, shelter workshops for the disabled and village enterprises were also collected because some social groups consider them as a type of social enterprise. These government documents inform us of the main purposes and of the background of the government's social enterprise promotion policies and of the development process of the concept of social enterprise from a governmental perspective. Table 5-21 shows the list of government documents which have been collected.

Table 5-21 List of collected government documents

Type of Document	Title of Document	Category
Legal Document	1. Framework Act on Cooperatives 2. Enforcement Decree of the Framework Act on Cooperatives (No. 24164. 12th Nov. 2012) 3. Enforcement Rule of the Framework Act on Cooperatives (No. 303, 27th Nov. 2012)	Cooperative
	National Basic Living Security Act (No. 11248, 1st Feb. 2012)	Self-sufficient Enterprise
	Act on the Welfare of the Disabled	Shelter Workshop for the Disabilities
	1. Social Enterprise Promotion Act 2. Enforcement Decree of the Social Enterprise Promotion Act (No. 22520, 09th Dec. 2010)	Certified Social Enterprise
	1. Ordinance on the Support and Promotion of Social Enterprises (Total of 212, 6 are revoked) 2. Regulations on the Support and Promotion of Social Enterprises (Total of 39)	Preliminary Social Enterprise
Government Report	1. Master Plan to Promote Social Enterprises (2008-2012) 2. Master Plan to Promote Social Enterprises (2013-2017)	Certified and Preliminary Social Enterprise
Other Government Document	Young Social Entrepreneurs' Support Project (http://news.molab.go.kr/newshome/mtnmain.php?mtnkey=articleview&mkey=scatelist&mkey2=28&aid=1267)	Social Venture (TD)

Public Hearings and Meeting Minutes

Public hearings, forums and the minutes of meetings were also collected to see what discussions and critical points emerged when the Social Enterprise Promotion Act (SEPA) was established. More specifically, it was necessary to understand the government's perspective on social enterprises since I had not met many government officers or members of the National Assembly who had been involved in the law-making process. Moreover, some public hearing minutes contribute to my understanding of how the civil society reacted to the government and what arguments they presented in relation to social enterprises. Table 5-22 shows the list of public hearings and meeting minutes which have been collected.

Table 5-22 List of collected public hearing, forum and meeting minutes

Type of Document	Title of Document
Public Hearing Minutes	1. Enactment of the Social Enterprise Promotion Act and Supporting Social Enterprise (19th April, 2006) 2. Enactment of the Social Economy Basic Act (11th August, 2014)
Forum Minutes	1. Forum on How to Establish the Social Enterprise Promotion Act (24th August, 2006) 2. Forum on Social Enterprise, What and How (2nd February, 2007)
Meeting Minutes	1. 259th General Assembly, 4th Environment and Labor Committee (18th April, 2006) 2. 259th General Assembly, 13th Environment and Labor Committee (24th November, 2006) 3. 281st General Assembly, 5th Environment and Labor Committee (26th March, 2009) 4. 282nd General Assembly, 4th Environment and Labor Committee (21th April, 2009) 5. 289th General Assembly, 5th Environment and Labor Committee (27th April, 2010) 6. 262nd, 1st Environment and Labor Committee Law Examination Subcommittee (13th September, 2006) 7. 262nd, 3rd Environment and Labor Committee Law Examination Subcommittee (27th September, 2006) 8. 262nd, 4th Environment and Labor Committee Law Examination Subcommittee (22nd November, 2006) 9. 285th, 2nd Environment and Labor Committee Law Examination Subcommittee (16th December, 2009) 10. 289th, 2nd Environment and Labor Committee Law Examination Subcommittee (26th April, 2010) 11. 304th, 2nd Environment and Labor Committee Law Examination Subcommittee (23th December, 2011)

In-depth and Semi-structured Interviews

In-depth and semi-structured interviews have been carried out to take into account different perspectives on social enterprises and on the emergence of the notion. This has been necessary considering that some social groups have been trying to promote their own discourses of social enterprise while resisting the dominant discourse of social enterprise established by the government. It has been assumed that individuals in different social groups present different perspectives and definitions of social enterprises which must have been constructed by specific experiences or social events.

In short, interviews have been carried out in order to confirm the findings from the literature review and from the pilot study, that is: to support the idea of the existence of multiple discourses related to social enterprises, which can be in turn divided into certified and uncertified social enterprises; to gain knowledge on the different perceptions by social groups concerning certified and uncertified social enterprise and the reasons for this; to explore the role of the government and of the civil movements; to compare government, intermediary, certified and uncertified social enterprises' view on social enterprises in order to understand the power relations between different social groups; to gain greater understanding on the socially constructed process of social enterprises.

Given these considerations, I have interviewed people from different social groups in the social enterprise field in Korea, such as government officers, intermediaries, researchers, civil activists and social entrepreneurs. These have been divided into top-downers, when they define social enterprises according to the government's definition, and bottom-uppers, when they define social enterprises differently from the government and try to contribute to the change of the institutionalized concept of social enterprise.

Since the size of the population of certified and preliminary social enterprises in Korea is large, more specifically it amounts to over 3,000 in total, and the number of uncertified social enterprises is uncountable, interviewees have been recruited by using a snowball sampling. First, I contacted key informants and then I asked them at the end of the interviews: "who knows a lot about the situation in Korean when social enterprise/social venture started to emerge?" Since a few key names were

mentioned repeatedly, I contacted those people directly or indirectly through the previous interviewees to ask them if they were willing to be interviewed.

The cycle of interviews was considered to be concluded when the interviewees' names who I already met were mentioned repeatedly. At that moment, I considered saturation to have been reached.

As a result, I have interviewed a total of 36 professionals in the field of social entrepreneurship in South Korea between May and August 2014. Among them, 19 are top-down actors and 17 are bottom-up actors, as shown in Table 5-23. Most of them were social entrepreneurs and intermediaries, whilst the numbers of government officers and professors/researchers were relatively small.

Table 5-23 Composition of interviewees

	Top-down actors	**Bottom-up actors**
Social Entrepreneurs	4	7
Intermediaries	9	6
Government Officers	2	1
Professors/Researchers	2	2
Others	1	1
Total	**19**	**17**

The list of potential interview questions is provided in Appendix II.

Observations

I also had the opportunity to attend a few formal and informal meetings. More specifically, I attended several formal annual meetings and seminars of the local Social Enterprise network and the cooperative movement networks. I also took part in academic and practical events organized by the central government, by the local authorities, by companies and by independent organizations. These opportunities extended my understanding on the conflicts concerning the meaning of social enterprise given that the scope and the concept of what is considered to be the "true" meaning of social enterprise were both discussed during all the events.

In addition to this, some interviewees invited me to their informal meetings, such as dinner out, coffee breaks or drinks after work. I noted the key points of these conversations both in the formal and informal meetings in my field notes. However, due to confidentiality reasons, I did not include the informal conversations for data analysis, but it is important to recall that these opportunities helped me greatly to increase my understanding of the field.

Anonymity

In order to maintain anonymity, I have changed the names of the interviewees and their affiliations. Sometimes I also changed their job titles to conceal the identity of my interviewees. I made a list of my interviewees with their real and their corresponding changed names and affiliations to avoid confusion. The list of interviewees along with the date and time of interviews is provided in Appendix III.

5.4 Data Analysis

5.4.1 Use of Grounded Theory

Table 5-24 shows the methodological orders I have followed for this research project.

Table 5-24 Research Methodological Orders

Orders	Activities
Pilot study	Check the validity and reliability of the questionnaire. Collect information and problems at the level of the current field. (Initial) Emergence of the Key themes of the findings. On-line (email) research method
Literature Review	Review and analysis of the relevant literature on the history of the civil society movement in Korea Critical view on social entrepreneurship
Field level information	Greater understanding of the circumstance of the current field before initiating fieldwork

collection	Official statistics on certified Social Enterprises and Cooperatives Collection of information on uncertified social enterprises Revision of the questionnaire
Documents collection	Collection of relevant documents both online and offline Supplements to interviews (Triangulation)
Interviews	Contacts with potential interviewees. Emergence of potential themes. Changes and improvements to the questionnaire after carrying out a few interviewees Different questions were asked to people from different groups (top-down and bottom-up)
Observation	Official meeting and seminars Informal meeting General idea of how bottom-up actors perceive and talk about social enterprise policy and about top-down actors Notes taken for each observation.
Memo & coding	Memos for each interview collecting my impressions and the potential key themes from the interviews. Review of memos after the first cycle of coding to remind myself of what are the relevant themes of the emerged codes from the transcriptions. Grouping of the emerged codes based on the different key themes. Bottom-up and top-down actors are identified. Discourse analysis issues emerged ➔ For this reason it was necessary to review more work on discourse and discourse analysis and attend the related discourse analysis seminars.
Theoretical framework	Development of the theoretical framework on the emergence of a new organizational form through the interactions between top-down and bottom-up actors who are promoting different discourses. Institutional entrepreneurship and social movement theory have been adopted.
Discourse analysis	First & second coding themes are applied. Data (interviews and documents) was analyzed based on the theoretical framework used to compare each group of actors' different backgrounds and their understandings of the term social enterprise (Frameworks presented in Chapter Two and Three). Historical Database Analysis
Check with the theory	Double check between the discourse and coding themes & theory

The process of collecting and analyzing data was based on a grounded theory research methodology. In addition to this, discourse analysis enabled me to analyze the multiple data on the basis of a certain framework in greater detail.

This research project relies on 36 interviews as the main sources of data. In addition to these, I have also used other documents in order to confirm and support the statements made by the interviewees during the interviews. The collected documents were used to strengthen interviewees' arguments and increase the credibility of interview data for triangulation. All the recorded interviews were transcribed and analyzed using the qualitative data management software NVivo. First, I developed an "event history database" (Van de Ven and Poole 1990) which ordered chronologically the descriptions of events from multiple perspectives based on multiple data sources. Since discourse analysis was adopted as a research method, I developed the database as a "discursive-event history database" (Maguire 2004) in order to capture "who said what, and when." By doing so, I developed a narrative account in which the institutional setting of social enterprise consisted of the discourses mainly promoted by top-down actors which are then contested by multiple actors according to their own logics. The developed discursive-event history database is provided in Appendix V. In Appendix V, I mainly captured main actions and/or sayings of key actors on developing the definition of Social Enterprise in the SEPA between 2003 and 2012.

Second, I identified my interviewees as belonging to two different groups. Actors who are in favor of the top-down actors or against the bottom-up actors on the basis of the interviews, documents, minutes of meetings or other collected data are categorized as top-down actors. Instead, actors who are in favor of bottom-up actors or against top-down actors are identified as bottom-up actors. For example, if actors used words such as "bad", "wrong", "have no ability, skills, knowledge, resources, or philosophy", "evil", "careless", "peremptory", "unilateral", or "ignore" to describe the other actors, I separated them into a different group. Instead, if actors used the words "good", "efficient", "has limitations but successful", "progressive", "meaningful", "considerate", "responsible", or "communicative" to describe the other actors, I identified them as part of the same group since they share the same interests and understandings of their institutional work.

After this, I proceeded to categorizing them again into top-down or bottom-up actors on the basis of their discourses. I identified those who are promoting the institutionalized meaning of social enterprise containing work-related, welfare-related and corporate social responsibility (CSR) discourses as top-down actors. As a result, the Ministry of Employment and Labor (MoEL), members of the National Assembly, big corporations, certified social enterprises, and some intermediary organizations and research institutes subsidized by the government have been categorized as top-down actors. Meanwhile, other actors such as NGOs, groups of social activists, independent intermediary organizations, and uncertified social enterprises who are promoting oppositional and alternative discourses of social enterprises such as local development, social economy, or social innovation discourse are categorized as bottom-up actors.

Fourth, I focused on the core struggles between actors over the meaning of social enterprise and its institutional settings. Throughout this process of analysis, I compared how actors understand social enterprise differently and which discourses of social enterprise are used by each actor. Moreover, the historical event dataset helped me to clarify the outcome of the conflicts over the official discourse of social enterprise and of the institutional change processes over time. The official discourse of social enterprise has expanded its scope as criticisms and disputes were raised by bottom-up actors. In order to compare the ideal concept of social enterprise promoted by each actor, this research highlights several selected core criticisms and disputes on the concept of social enterprise between actors. The samples of coding categories for struggles over the meaning of Social Enterprise in the SEPA are provided in Appendix VI and VII. I analyzed the core struggles in two phases – before and after the enactment of the SEPA. Appendix VI includes the criticisms of the Legislative Bill of the SEPA, submitted by the Hannara Party and the government responses during the phase 1 between 2005 – 2006. Appendix VII includes the criticisms of the SEPA from both oppositional and alternative actors during phase 2 between 2007 and 2012.

Also, it is interesting to note that the lack of social enterprise theory in relation to its emergence in certain social contexts can be seen as another reason to use grounded theory in this research project. As a matter of fact, I decided to apply grounded theory because it would enable the emergence of theoretical knowledge on

how social enterprise develops in this context. Grounded theory will tell us what actually happened in the field of social entrepreneurship in South Korea. For this reason, I have collected multiple data sources including policy documents, interviews, meeting and public hearing minutes, online data, and observational data. Massive datasets, which were produced from the field, were the results of these efforts and they helped me capture the dynamics of the social entrepreneurship field from multiple perspectives, not only from the government perspective. From the empirical experiences in the field, I am able to theoretically explain the debate on the dominant concept of social enterprise which was being challenged by other actors in the field and how these interactions between actors influence the institutional building and changes of social enterprise.

5.4.2 Use of Discourse Analysis

Discourse and discourse analysis are useful to examine how a new organizational form is produced, maintained and transformed as a phenomenon of institutionalization. In order to examine the multiple interactions between actors while constructing institutional and organizational settings, I used macro discourse analysis rather than micro discourse analysis, rooted in a linguistic approach. Macro discourse analysis focuses more on the "broad patterns of what is talked and written about, by whom, their social location, and why" (Johnston 1995: 219). Although macro discourse analysis might interpret text more loosely than micro discourse analysis, it is useful to capture articulated knowledge, understandings and reactions in the history and the success of social movements (Johnston 1995: 219).

Discourse analysis has been used in institutional studies in order to study the interactions between actors when constructing institutional and organizational settings and is thus named as "institutional dialogue" (Heritage and Sefi 1992; Drew and Sorjonen 1997). Institutional and organizational settings are constructed through multiple interactions between different actors who have different identities that lead them to have different understandings of the phenomenon in question (Scully and Creed 2005; Scott 2013). Each actor's discourse contains the actor's interests, understandings and ideas which are constructed on the basis of their identities. The contents of discourses are socially constructed in the context where they are located

in (Phillips, Lawrence, and Hardy 2004). For these reasons, discourse analysis is particularly useful to understand socially produced organizational and inter organizational phenomena (Phillips, Lawrence, and Hardy 2004).

In social enterprise studies, discourse analysis has rarely been used. Nonetheless, many researchers acknowledge that different discourses exist across the world in different contexts. More specifically, Hulgård (2010) divided discourses of social enterprise into two types: those linking social entrepreneurship to the private sector for profit and those that take into consideration the social economy. According to this scholar, the former is more popular in the United States, while the latter is more popular in Europe, even though both discourses can exist in the same country/context at the same time.

Given the above considerations, the following questions begged for an answer: where do all these different concepts of the term social enterprise come from? How has the concept of social enterprise been developed by different actors (the government and the civil society) within certain situations? How did they react to each other? Which historical, political, economic, social, and cultural backgrounds are affected differently by the different discourses of social enterprise? What are the tensions between the government and the civil society concerning the meaning-making processes related to the notion of social enterprise?

I started the analysis of the collected data by using grounded theory methods. As soon as the transcriptions of interviews were ready, I imported all the transcriptions, government documents, minutes and memos I wrote during the interviews and during my fieldwork to the NVivo software package. While reading the transcriptions again, I started to identify themes in my data sources. In my data sources, some core themes seem to be recurring. I therefore selected three core themes.

During the analysis process, the conflicts around meanings between different actors promoting different discourses have been clarified. The first theme is given by the top-down institutional process of social enterprise, which consists mainly of establishing the law – SEPA. This dimension also includes how different actors resist against the government's standardization of social enterprises, and how they achieved an agreement on the enactment of the SEPA. The social and political

context in which disagreement and agreement on the standardization of social enterprises will be examined in Chapter Six.

The second dimension looks at how the standardization of social enterprises affected the positional changes of each actor in the social entrepreneurship field in Korea. Although the definition of Social Enterprise provided by the SEPA was considered as a universal interpretation of being "social" and "enterprise", there were still some actors who attempted to amend the law which enhanced the official definition of Social Enterprise. This reflected the different social positions and ideologies of each actor which affected in turn their strategic actions and discourses.

The third dimension looks at how alternative movements of social enterprise emerged in the shape of a discourse resisting against the official definition of social enterprise provided by the government.

The coding techniques I used are given by the "discourse analysis" based on the "historical event database" adopted by Maguire and Hardy (2006). More specifically, I identified historical events mentioned in my data sources according to a timeline. In a table, I added who mentioned what in relation to the event in the social entrepreneurship field in order to compare the different perspectives of different actors. During this process I also analyzed what each actor did in order to push their views on social enterprise to be accepted by other actors. Building a historical event database in the social entrepreneurship field helped to reflect upon the social and political contexts which affected each actor while constructing their ideologies and strategies.

Interestingly, the official discourse of social enterprise has expanded its scope as related criticisms and disputes were raised by actors. In order to compare the ideal concept of social enterprise promoted by each actor, I selected the core criticisms and disputes focused on the official/dominant discourse of Social Enterprise. Once it became clear, the institutionalization process of the official/dominant discourse was analyzed on the basis of the challenger/dominance approaches and the collective mobilization as institutional processes.

After that, I analyzed the outside or inside actors before and after the institutionalization of Social Enterprises using the same framework as before. More specifically, the time period when each actor introduced their own discourse of social enterprise was defined in this process. By identifying the time period of the

emergence of each discourse, I was able to understand how the movements occurred in waves or sequences, producing historical trajectories of change (Schneiberg and Lounsbury 2008).

Each discourse defined in the earlier process of analysis was analyzed again in order to understand the relationships between different discourses, which are embedded actors' understandings, and the contexts which affected mobilization and movements aimed at producing change (Stryker 2000; Seo and Creed 2002; Morrill 2006), and the strategies which actors adopted in order to increase the power of their understandings. This helped me to understand how multiple factors affected actors and the shaping of their understandings, with regard to the perception of problems and the adoption of strategic actions to achieve their goals – namely, legitimating their understanding of which organizations can be social enterprises, and to gain more power. Moreover, this will also help us to understand how different actors in the field of social enterprise communicated with each other in order to elaborate the meaning of social enterprise over time (Schneiberg and Lounsbury 2008).

5.5 Limitations and Reflections

5.5.1 Challenges as a Researcher in the Field

Although I have worked in the Korean social entrepreneurship field before I started my Ph.D. and I had carried out prior research on the current state of social enterprises in South Korea before my fieldwork, sometimes I found myself telling my interviewees that I do not know many things about what is currently going on in the field especially. By positioning myself as someone who has been away for some time and therefore needs to be informed by the people I meet, I was able to ask more straightforward questions without appearing to be too blunt. Interviewees were also more inclined to tell me more stories in that way and sometimes they also invited me to attend their formal and informal group meetings. In most cases, they told me that "*if you could come to attend our meetings/gatherings, you would learn a lot more about what's going on in the field.*" I went to all the occasions I was invited to, whether it was formal or informal meetings.

Every time I met new people in the field, people always asked me about the current state of social enterprises in the UK. For Korean social entrepreneurs, the UK represents a well-known country with a strong governmental support promoting social entrepreneurship, which has become a role model policy of the SEPA. People asked me questions on whether the actual social entrepreneurship field is as they heard it is through newspapers, lectures, and documentaries. Sometimes they asked me very specific questions focused on a certain sector of social enterprise in the UK: such as health care, social investments, impact bonds or cooperatives. All of my experiences in the UK, working on research papers about the UK government's policies promoting social entrepreneurship, attending social entrepreneurship conferences and seminars, visiting UK social enterprises, having conversations with social entrepreneurs, and coordinating visits of Korean social entrepreneurs and non-profit professionals to UK social enterprises helped me to answer their questions and to position myself as someone who can provide field-level information to them in return.

5.5.2 Limitations of Data Analysis

Although, other researchers have described how to construct data analysis step-by-step in their previous research, a full understanding on how to embrace the analysis process and the necessary analysis skills was never easy for me. I doubted whether I was analyzing the data correctly all the time, so I had to go back to the literature and the theoretical framework many times. I also tried out different analysis methods. Finally, I realized that the data analysis and coding process hardly work in a systematic fashion, but in a more messy way.

However, after a few attempts of data analysis, I was able to develop my own way of analyzing data. Although I used the NVivo to organize and manage the massive data sources I had collected, Microsoft Excel helped me more to structure the results of the analysis in a systematic way. For this reason, I re-typed the results of the analysis in tables in Excel sheets at the end of analysis with NVivo, and this made it easier for me to compare the contents of the disputes between different actors promoting their own discourses.

However, the interview transcriptions seemed to me to be new and different every time I went back to them, so new themes kept emerging even during the writing up stage. Managing and constructing new themes into existing themes was also a very complicated process.

I wrote the themes of the findings and the contents of analysis of the results in English both on NVivo and Microsoft Excel, even though I had done all the interviews in Korean. Regardless of the concern that using dual languages in one research would increase the confusion of the researcher and the possibility of translation errors, reading, writing, listening, and thinking in both languages vice versa in the analysis process helped me to me think more than twice if I had translated appropriately between English and Korean.

Foreword to the Finding Chapters

The results of my analysis are presented in three Finding Chapters.

Chapter Six describes the initial stage of the institution building process of Social Enterprise in Korea between 2006 and 2010. This Chapter will unpack the conflicting processes of meaning making between social actors who are located in different social positions. Three instances of conflicts between actors in the policy and civil society area, and between the government and civil society illustrate the political struggle for institutionalization of the concept of social enterprise and its institutional setting. This Chapter outlines how the powerful top-down actors create and take the leading role in an institution-building project and how bottom-up actors instantly react to contribute to the project.

Chapter Seven focuses on the emergence of oppositional discourse as a reaction to the emergence of official and dominant discourses of social enterprise. Two instances of emerging oppositional discourses from intra- and extra-institutional entrepreneurs illustrate how two different groups of actors react differently although they promote a similar discourse to each other in order to conceptualize the different meanings and activities of social enterprise.

Chapter Eight introduces the emergent process of alternative discourses to the official discourse of Social Enterprise – social innovation and entrepreneurship discourses. In this Chapter, I will illustrate how alternative actors who fully reject the official definition of Social Enterprise in the SEPA interpret the meaning of social enterprise differently and how they attracted other actors to their own discourses and organizations by being innovative, different, and financially productive.

6 Initial Stages of the Institution-building Process of SE: Legislation of the SEPA

6.1 Introduction

"*From my perspective, a social enterprise can be legitimated only when it is in an institutional setting - the certification system. Who would call an organization a social enterprise, if it is not certified or if it is not in an institutional setting? Throughout Korean history, we have never had the concept of social economy and so we have no experience of it. So, if a powerful institution like the government hadn't provided a clear concept, along with the definition and the standards of social enterprises, people must have struggled to understand what a social enterprise is. It's easier to convince people that 'we are doing social enterprise' when the concept of social enterprise is defined by the law. That's why being institutionalized is important to be accepted in the Korean context. (BJ7, CEO, G SE, 16 June 2014, 14:04PM-16:00PM)"*

One of the key themes which repeatedly appears in my data sources is that the term "social enterprise" was legitimated when the government established the law promoting Social Enterprise – the "Social Enterprise Promotion Act (SEPA)" in 2006. In this chapter, first I will trace the initial institutional-building process of the SEPA. Overall, the purpose of this Chapter is to outline the dynamics of the actors and their discourses in the field of social entrepreneurship in Korea and how the most powerful actor – the government – reacted to these field-level dynamics by institutionalizing the meaning and the organizational forms of Social Enterprise. I will also briefly introduce the initial institutionalized meaning of Social Enterprise, which represents the official discourse. Second, I will analyze the struggles between different social groups in the area of policy and civil society and vice versa. This shows the existence of confrontations over the concept and over the requirements needed to be certified as a Social Enterprise. I will conclude this Chapter by outlining the dynamics between the actors and their discourses against the emerging institutional logic which attempts to simplify these dynamics. However, the power of

political authorities was still exceptionally powerful, especially at the initial stage in which the standards of Social Enterprises were constructed.

6.2 The Emergence of Official and Dominant Discourses of Social Enterprise

With regard to official discourses of Social Enterprise, the government in Korea – consisting in this case mostly of the Ministry of Employment and Labor (MoEL) – has mainly promoted the work-embedded social welfare discourse of social enterprise. According to the SEPA, Social Enterprise is defined as "*an enterprise certified in accordance with Article 7, namely one that pursues a social objective aimed at enhancing the quality of life of residents in the community by providing vulnerable social groups with social services and job opportunities, while carrying out its business activities, such as the production and sale of goods and services"* (Ministry of Employment and Labor 2006).

In Chapter Four, I introduced how the certification system standardized Social Enterprises by defining the social and economic objectives, the beneficiaries, the legal organizational forms and different types of social services. The legally institutionalized definition and organizational form of Social Enterprise corresponds to the official discourse that represents the views, arguments, explanations and policy suggestions of the state (Schlesinger, Elliot, and Murdock 1984). However, an official discourse does not necessarily have to also be a dominant discourse (Williams 1985). Nevertheless, in the case of Korea, where resources and networks have been centralized by the state, the official discourse of Social Enterprise spread all over the country and became the dominant discourse as soon as the government had institutionalized this definition of Social Enterprise. In other words, after the legalization of the SEPA, not only had the number of certified Social Enterprises increased at a very fast rate, but also the official discourse of Social Enterprise took the hegemony over other definitions of Social Enterprise. As a result of this, the central object tackled by other actors who did not share the dominant view and wanted it to be changed was the official discourse of Social Enterprise which corresponded to the dominant discourse of Social Enterprise in the country (Karim 1993).

6.3 Conflict in the Policy Area – Between Government Departments

In this section, I show that the conflict over the meaning of social enterprise occurred not only between top-down and bottom-up actors, but also between actors in the same institutional positions. During the legalization process of the SEPA, the Ministry of Labor and Ministry of Welfare competed against each other to institutionalize Social Enterprise in accordance to their policy objectives. By focusing on the contents of the debate, the reactions to each other over the meaning of Social Enterprise and on the policy objectives related to promoting social entrepreneurship, I will present how the struggles in the policy area contribute to the construction of the institutionalized meaning of Social Enterprise.

6.3.1 Contents of the Debate and Reactions to Each Other

6.3.1.1 Inter-ministerial Conflict on the SEPA – Ministry of Labor VS Ministry of Welfare

Each actor involved in the institution-building project of social enterprise in Korea is characterized by different objectives, understandings and backgrounds which in turn relate to different meanings of social enterprise. The diverse identity of the social actors in the institutional field of social enterprise reflected itself in conflicts over the meaning of what is defined as a Social Enterprise. These struggles occurred not only between actors from different origins, but also between those from the same origins. In this section, I will analyze how actors in the same government sector struggled with one another to take on the main lead role in social entrepreneurship promotion policies.

In the Korean context, the government as a strong state takes the leading role in the institutionalization of a new industry (Spencer, Murtha, and Lenway 2005). However, a consensus on the promotion of a certain policy is not always easily reached between actors in the policy sector and it often involves inter-ministerial

competition for projects (Kim 2002; Park et al. 1996). During the institutionalization process of Social Enterprise, the Ministry of Welfare (MoW) and the Ministry of Labor (MoL) conflicted with each other over the meaning and purpose of Social Enterprise. At the end, the work integrated social enterprise discourse was selected as the official discourse of Social Enterprise through the inter-ministerial competition.

As a first stage, this inter-ministerial competition occurred between the MoW and MoL to decide which department will operate and make a decision on social enterprise promotion policies. At the beginning, several government departments joined the discussion, because each of them had different perspectives in relation to the provision of social welfare services. Traditionally, the MoW used to deliver social welfare policies, including public health, aging, childcare, disabled and pension related issues. As the traditional role of the MoW was to provide social welfare services to the public, also the MoW was interested in promoting social entrepreneurship policies within the scope of their authority.

However, the original motivation for establishing social enterprise promotion policies was to provide job opportunities to vulnerable people, given that unemployment represented the most urgent issue on the government's agenda to be solved. For this reason, promoting social entrepreneurship activities was considered to also be a responsibility of the MoL. The main dual objectives of social enterprises, which consisted in providing job opportunities and social services to vulnerable people, were at the origin of the conflict between the two Ministries, which traditionally were in charge of each policy area.

As shown in Table 6-1, the MoW and MoL perceived social enterprises differently in terms of policy goals, beneficiaries of social welfare policies, level of work provided by a social enterprise, efficiency of the policy and potential field-level partners.

Table 6-1 Structure and Contents of Employment and Social Welfare Policies by Departments

	Social Enterprise as an employment related issue	**Social Enterprise as a social welfare related issue**
Actors	Ministry of Labor	Ministry of Welfare
Discourses	Integrated Work and social welfare	Social welfare related
Objects	Social Work Program	NPOs who used to deliver social welfare services
Goal	Empowering poor people to be financially independent by means of paid work activities.	Providing social services to the vulnerable social group.
Scope of beneficiaries of social welfare policies	Not only people who are in the extreme poor category. People who are not employed, although they have ability to work, are also included.	People who are in the extreme poor category.
Level of work	Various levels of work	Simple and easy work
Previous policies	Social Work Program made good progress on creating work opportunities and business ideas in the social service sector.	Public Work Program, Self-sufficiency organizations (NBLS)
	NPOs and NGOs who used to deliver social welfare services are distrustful.	-
Efficiency of the policy	Social Enterprise policy can deliver social welfare and employment policies at the same time.	-
Target beneficiaries	Social Enterprise as a social welfare services provider	Vulnerable people as a social welfare consumer

While the MoW considered the beneficiaries of Social Enterprise policies as vulnerable people who are consumers of social welfare services, the MoL insisted

that supporting social welfare service providers – Social Enterprises – is a more effective way of delivering social welfare and employment policies at the same time. Although, the MoW had supported self-sufficiency enterprises within their policy schemes, which are often considered to be the origin of Social Enterprises in the Korean context, the MoL also criticized the limitations of social welfare policies.

Secondly, there was another struggle between a group of government departments that emphasized the importance of financial sustainability and a group emphasizing the role of capacity building of the third sector, of social sustainability, of social development and of close relationships with civil society. The first group consisted of the Ministry of Strategy and Finance (MoSF) and the Ministry of Planning and Budget (MoPB), while the second group is given by the MoL, MoW and Ministry of Culture (MoC). With regard to the first group, they found the certification system and the Social Enterprise promotion strategies (which are providing a payroll for certified Social Enterprises to employ workers) to not be a sustainable way of supporting social enterprise activities. On the contrary, the second group, instead, considered this idea to be a good way of building a good relationship with civil society. Also, they believed that civil society has sufficiently matured to be able to deal with social problems emerging from the field, such as a jobless and ageing society.

6.4 Conflicts between the Government and Civil Society

The emerging discussion on the SEPA caused conflicts between the government and civil society, due to the fact that each actor reacts to institutional pressures with different strategies following from the different interests that they have (Oliver 1991). Some civil society organizations considered the concept of social enterprise to have been developed by work-related civil society organization[5] which had collectively reacted to the government's attempt to define the standards for Social Enterprises. In this section, I will present how top-down and bottom-up actors

[5] Work-related civil society organizations in this thesis are a part of civil society which is autonomous from the state, voluntary and self-generating (Diamond 1994). Among others, work-related civil society organizations advocate that employment policies have to be planned and implemented in a long-term perspective rather than providing simple and short-term work opportunities to vulnerable people in local communities (Choi 2009).

competed against each other over the institutionalization of social enterprises based on the results of the analysis of the contents of the debate and of the reactions to the SEPA. The main arguments that civil society raised related to the limited definition of social enterprise in the SEPA, to the speed of the institutionalization process and to the impact of the SEPA.

6.4.1 Contents of the Debate and Reactions to Each Other

6.4.1.1 Conflicts with out-group actors during the initial institution-building process

Relatively powerless actors are also able to promote their understandings of a new organizational form so that they are accepted by other actors in the institutional-building process (Seo and Creed 2002). In the initial process of constructing the institutional meaning of Korean Social Enterprise, actors interacted with each other by pushing their own discourses to be included in the official discourse of Social Enterprise. More specifically, the active interaction started in March 2005 when the MoL organized the SEPA Task Force Team. According to Rao, Morrill, and Zald (2000), collective actions emerge under certain conditions in order to achieve the goals of actors' activities. As a matter of fact, the establishment of the "Civil Society Solidarity for Social Enterprise Development (CSSSED)" against the SEPA Task Force Team shows how civil society organizations confronted the emerging certification system collectively by representing field-level social enterprises.

Interestingly, during the initial institutionalization process of the SEPA, the CSSSED was the only actor who was against the legislation and the contents of the SEPA. More specifically, the CSSSED criticized the SEPA in terms of 1) definition of Social Enterprise (criteria and governance of Social Enterprise); 2) fast institutionalization (background of the legislation, use of self-sufficiency enterprises, and maturity of the field); 3) and effectiveness of the SEPA (certification system and conflicts with other related laws), as shown in Table 6-2. The details of their arguments against the SEPA will be presented in the next Section.

Table 6-2 Conflicts over the Content of the SEPA between Advocators and Opponents

	Against the SEPA	In favor of the SEPA
Actor	CSSSED, some self-sufficiency enterprises	Ministry of Labor, Korea Labor Institute, Intermediaries
Governance	Cooperative governance is the key of social enterprise.	Cooperative governance will make the decision-making process inefficient.
Use of self-sufficiency enterprises	They have already been working as social enterprises in the field. The SEPA has to use their resources and networks and transform them into social enterprises.	They could not make big progress during the last few years. There is the need to find a new type of organization who can deliver social services and create work opportunities efficiently at the same time.
Certification system	Social enterprises who do not need subsidies should be registered and not certified. Only social enterprises who want to receive subsidies are required to be certified.	There can be a misuse of government subsidies. Government funding should be controlled and monitored when it is invested in a certain type of organization.
Maturity of the field	The Korean social enterprise field is not ready to be institutionalized. There are not many organizations that can be certified as social enterprises. Further investigation on the field is needed before the enactment of the SEPA.	The Korean civil society has sufficiently matured to produce social enterprises and to accept the concept of social enterprise provided by the SEPA. Fast institutionalization is the key characteristic of the Korean government.
Legal Framework	The separate law – SEPA is in conflict with other laws (e.g. NBLS).	
Criteria of Social Enterprise	The SEPA as an employment law requires social enterprises to employ 40% of the vulnerable people, which is wrong.	Social Enterprise is supposed to solve employment and social welfare problems at the same time.

Background of the legislation	The government does not consider the Korean context.	Employment and social welfare issues where emergency issues need to be solved with a new policy.

6.4.1.2 Definition of Social Enterprise

According to institutionalists, the role of institutional entrepreneurs is central given that they "define, justify and push the theory and values underpinning a new form" (DiMaggio 1988: 18). The CSSSED who did not agree with the official definition of Social Enterprise provided by the government, defined and presented *their own definition* of social enterprise which reflects their previous field-level experiences. From the perspective of the CSSSED, the governmental definition of Social Enterprise neglected the most important characteristic of social enterprise, namely cooperative governance. While the CSSSED insists that having a cooperative governance is the key of social enterprises, actors in favor of the SEPA believed that a cooperative governance would make the decision making process inefficient. BB7, one of leaders of the CSSSED, commented that:

> "*We have tried to include the cooperative governance of social enterprises as a characteristic of Social Enterprise in the SEPA. The MoEL, instead, was more concerned with emphasizing the social mission of social enterprises. However, we insisted that social mission and governance should go together, but the MoEL did not accept the idea of a cooperative governance. At the end, the MoEL simplified cooperative governance as a participation of multi-stakeholders and not as a membership of workers. (BB7, Deputy Director, P SE Network, 22 May 2014, 17:14PM-18:25PM)*"

The will of the CSSSED to include cooperative governance as one of the main characteristics of a Social Enterprise could be seen from the Legislative Bill on Social Enterprises that was the result of a joint effort with Jin, Young from the Hannara Party. Article 12 of this legislative bill on the promotion and the support for Social Enterprises clearly mentions that:

"A Social Enterprise consists of members, and these members include workers and users, investors, contributors (donors), volunteers and others who are involved in the activities."

For the members of the CSSSED, which are mostly organizations developed around self-sufficiency activities, it is important to emphasize the community spirit along with social solidarity and to revive communities through social enterprise activities. By highlighting the role of community and social solidarity, they do not expect to exclude vulnerable people in society and the labor market.

With regard to the definition of Social Enterprise, the CSSSED criticized the criteria of Social Enterprise as described in the SEPA. More specifically, the initial legislative bill of the SEPA clarifies that the employment ratio of vulnerable social groups should be greater than 40% for a Social Enterprise to be certified. However, the CSSSED was concerned that first, the ratio given to Social Enterprises is too high, and second, that these criteria will affect the public image of Social Enterprise as an organization only for vulnerable social groups. BK8 mentioned that:

"*It is wrong for people to perceive a social enterprise as a place where disabled people bake bread or vulnerable people do public work. The value and meaning of social enterprises have been ignored in this fast institutionalization process. (BK8, CEO, H SE, 18 June 2014, 13:38PM-15:00PM)*"

DW2 also proves that the value of social enterprises has been ignored because of the wrong direction taken by the SEPA:

"The criteria that limits the employment ratio of vulnerable social groups does not fit the value of social enterprises. The government was just showing off the fact that they are helping vulnerable social groups by adding that criteria in the SEPA. (DW2, Researcher, U Institute, 10 June 2014, 13:58PM-16:03PM)"

According to Rao, Morrill, and Zald (2000); Tracey, Phillips, and Jarvis (2011), a new organizational form will gain legitimacy when social actors realize that it corresponds to their interests and values within an institutional context.

Similarly, the reason to promote the cooperative discourse so that it is included in the SEPA was related to the idea of gaining the legitimacy of the workers' cooperatives which they had created, but had never been institutionalized. Even though the activities which had taken the organizational form of the workers' cooperatives had spread all over the country thanks to media coverage, workers' cooperatives were established and managed as unauthorized organizations or public limited companies because there was no legal form that fitted the governance of cooperatives (The Solidarity Network of Cooperative Social Economy 2012). For this reason, the CSSSED tried to solve the problem of the legal status of workers' cooperative by pushing this characteristic related to cooperative governance to be included in the official discourse of Social Enterprise. BB7 proved that:

> "*Structuring the SEPA as a workers' cooperative law was our main concern in the group. For this reason, we suggested criteria and other characteristics of workers' cooperative to be included in the legislative bill of Social Enterprise, based on the cases of Italian cooperatives. We expected that we could solve all the legal and institutional problems of workers' cooperatives that we had in practice through the SEPA. (BB7, Deputy Director, P SE Network, 22 May 2014, 17:14PM-18:25PM)*"

6.4.1.3 Fast institutionalization (backgrounds of the legislation and the use of self-sufficiency enterprises)

From the perspective of the CSSSED, the institutionalization process of Social Enterprises took place too quickly. According to them, a fast institutionalization did matter because the government was not concerned by the political, social, and historical contexts and by the relationships between different actors in the field. Instead, the government seemed to be attracted by the new term – social enterprise. As a matter of fact, BK8 added that:

> *"The Ministry of Labor institutionalized the idea of civil society. The MoEL asked and paid for a few organizations to develop social enterprises even before the historical and philosophical perception of social enterprise was sufficiently mature. A policy which deals with both the economy and welfare should relate to all important social issues, like poverty and education, but the government made the*

hasty decision to institutionalize the concept without developing a deep concern for the matter or discussing it with other actors merely because the term "social enterprise" sounds new and fancy. (BK8, CEO, H SE, 18 June 2014, 13:38PM-15:00PM)"

However, from the government's perspective, this fast institutionalization has been considered as a unique and taken-for-granted characteristic of the Korean government, as highlighted by BD3:

"*Reacting quickly to changes in society is a characteristic of the Korean government. If the government reacts when a social issue becomes serious, it means that we are already late. Getting society back on track by reacting to changes quickly and by carrying out institutionalization processes is important. We have learnt from experiences, such as the fast economic development led by the government, that this works.* (BD3, Manager, C Government Department, 15 June 2014, 18:09PM-17:44PM)"

From the CSSSED perspective, as a result of a fast institutionalization of social enterprises, previous organizational forms, such as self-sufficiency enterprises, have been excluded from the institutional field, as emphasized by BK8:

"*If the government wanted to promote social enterprises, they could have used the network of self-sufficiency that already existed in the field. This is because self-sufficiency movements also started with the same objective as social enterprises. At that time (in 2006), more than 200 self-sufficiency centers already worked very well in the Korean context. But, the government neglected this because of the result-oriented culture and the relationship between the MoEL and MoW. (BK8, CEO, H SE, 18 June 2014,* 13:38PM-15:00PM)"

However, the government considered the self-sufficiency movement to have limitations with regard to the generation of sustainable outcomes in terms of creating work opportunities and delivering social welfare services. BH5 who carried out research on the limitations of the previous related policies mentioned that:

"*Organizations who participated in previous government programs were very dependent on government funding. From the MoEL perspective, these organizations did not exhibit any characteristic of "enterprise", but they were more like voluntary organizations who are running programs with government funding. That's why the government found the need to build a new organizational form that can cover the limitations of previous organizational forms, such as self-sufficiency enterprises. (BH5, Professor, E University, 23 June 2014,* 13:05PM-14:22PM)"

As I concluded in the previous Section 6.3.1.1., the MoL perceived the previous policies promoting work and social welfare to have failed to deliver social welfare programs in a sustainable way. For this reason, the MoL selectively interacted with certain actors and therefore some field-level organizations, such as self-sufficiency enterprises and voluntary organizations, were excluded in the initial process of the institutional-building of Social Enterprise.

6.4.1.4 Impact of the SEPA (certification system and conflicts with other related laws)

The CSSSED also criticized the initial Legislative Bill of the SEPA provided by the MoL for to its effectiveness. First, they questioned the reason why a certification system is needed to promote social entrepreneurship activities. In their legislative bill, they insisted on the fact that social enterprise groups have to be separated, based on the willingness of social entrepreneurs to receive government funding. The CSSSED considered that some social enterprises were already making profits and therefore do not need government subsidies, so they would not be interested in a certification because the benefits of being certified are mostly related to financial support. Instead, the CSSSED emphasized the need for a registration system of Social Enterprises for those organizations who prefer to receive only educational or consultancy supports (Environment and Labor Committee in the National Assembly 2006).

Second, the CSSSED also pointed out that the contents of the SEPA are in contrast with other related laws and policies. For example, although the SEPA emphasized the "entrepreneurial" side of Social Enterprises, a private company could not be certified as a Social Enterprise based on the Commercial Law. Also, although

the SEPA promotes the establishment and the later stages of new businesses based on an innovative social entrepreneurial idea, a Social Enterprise cannot apply for a support program of the Small and Medium Business Administration (SMBA) based on the Small and Medium Business (SME) law. As a matter of fact, BB7 was concerned that these potential and practical conflicts would affect the effectiveness of the SEPA and claimed that there was a lack of understanding by the government on what field level practitioners need:

> "*We knew which laws or policies can be used to promote social enterprises since we have supported field level practitioners. However, the government and the members of parliament do not know and understand the field. Establishing a new law (SEPA) was not necessary. Instead, one specific law (NBLS) could have been amended to promote social enterprise activities. Because they do not know the field level difficulties in practice, we were concerned that the SEPA would not be so helpful and effective at the early stages of the legislation. (BB7, Deputy Director, P SE Network, 22 May 2014,* 17:14PM-18:25PM)"

6.5 Conflict in the Civil Society Area

In this section, I will present how the members of the CSSSED competed against each other to construct their representative discourse against the SEPA. The inter-organizational competition of the CSSSED contributes to the discovery of the process of combining different ideologies and interests in a group.

6.5.1 The CSSSED's Inter-organizational Competition over the SEPA

Discourse can be used to interact with other actors when sustaining or challenging social positions (Van Dijk 1995). As a matter of fact, developing a discourse that reflects group members' purposes and views on social issues can be seen as a strategic action to react against dominant actors (Phillips, Lawrence, and Hardy 2004). Therefore, building a collective identity is important since it can become a communication resource with other actors (Hardy, Lawrence, and Grant

2005). However, according to Hardy, Lawrence, and Grant (2005), internal conflicts can take place when members of organizations discursively construct their collective identity.

The members of the CSSSED were separated into two groups, a research group and a practitioner group, when the CSSSED presented the Legislative Bill for Promoting and Supporting Social Enterprises. These two inter-organizational groups competed against each other in relation to the contents, governance and financial resources mentioned in the bill. Their arguments on the Legislative Bill for Promoting and Supporting Social Enterprises are summarized in Table 6-3.

More specifically, the researcher group supported the contents of the Legislative Bill for Promoting and Supporting Social Enterprise, which they drafted against other bills presented by other actors. This Legislative Bill *invoked* overseas cases, *endorsed* previous successful experiences in promoting cooperatives governance, *challenged* the idea of standardizing social enterprises and receiving the government subsidies. This group insisted that the cooperative discourse should be adopted in the SEPA, because the workers' cooperative model of social enterprise *worked well* in other countries, such as Spain and Italy, and a cooperative governance is *good* for the empowerment of workers by including them as the members of an organization. Moreover, they also emphasized their previous experiences of establishing and running workers' cooperatives in the field. However, they *rejected* the idea of providing financial subsidies to certified Social Enterprises because this does not help to empower people to make profits and stand on their own feet without government support.

Interestingly, the practitioners in the group had different opinions on the Legislative Bill. More specifically, they did not agree with the researcher group and their position mainly *challenged* the cooperative governance *endorsing* the idea of receiving financial subsidies. For example, the practitioners *rejected* the workers' cooperative model because it was too idealistic and could not be achieved in practice in the Korean context. They also *refused* to include a cooperative governance because this will make the decision-making process inefficient, a contradiction with the idea of an "enterprise" which has to be efficient and profit-oriented. In addition, they *supported* the idea of receiving government subsidies to hire employees considering that subsidies are helpful when running a business.

Table 6-3 The Contents of the Conflict over a Legislative Bill Submitted by the CSSSED

	The Good	The Bad
Actor	Researchers	Practitioners
The contents of the legislative bill	There are overseas cases where the participation by society and by the local community was strongly encouraged.	It was too idealistic and could not be achieved in practice in the Korean context.
Governance	The history of workers' cooperatives has proven that it is possible to achieve.	Cooperative governance is hard to achieve.
	Cooperative governance is positive given that workers are included as members of an organization.	Cooperative governance will make the decision-making process inefficient.
		Cooperative governance is not appropriate for a social enterprise as an incorporated company.
Financial Resources	Empowering social enterprises to make enough profit, or at least the national basic income, is important in a long-term perspective. Giving subsidies will ruin the ecosystem.	Receiving government subsidies is necessary when running a business.

BB7 who participated in the process of making the Legislative Bill mentioned the different perspectives of researchers and practitioners:

> "*Practitioners in the field cannot consider carefully all the good and bad aspects of the law. They have no reason to refuse the subsidies. If someone thinks that practitioners will refuse the subsidies, that person might have overestimated them. Doing business is difficult. For them, receiving subsidies is good because they can use the government's money to run their business. In terms of giving and taking*

subsidies, the government and practitioners always share the same interest. (BB7, Deputy Director, P SE Network, 22 May 2014, 17:14PM-18:25PM)"

6.5.2 Conflicts between Different Groups in Civil Society

Meanwhile, actors who mainly worked in civil society also struggled against each other. During my analysis, I identified two groups as competing actors in civil society. The first group consists of self-sufficiency enterprises and support organizations. Among them, since the CSSSED was the active organization, in this Section I will refer to this group as the CSSSED. The second group is given by a few NGOs working under the with the Working Together Foundation (WT Foundation). These organizations were initially included in the Task Force Team of the SEPA as field-level practitioners. In this section, I will refer to the second group as the WT Foundation, given that the members of the WT Foundation actively interacted with the government in designing the SEPA.

Overall, these two groups had developed different ideas on social enterprises and on the SEPA. Although they agreed on the need for the legalization of the SEPA in order to legitimate field-level social enterprise activities, they promoted different discourses of social enterprise. Nevertheless, they did not resist against each other completely but some of their arguments were overlapping. In this section, I will present how these two groups developed different discourses of social enterprises based on their previous activities and on their relationship with the government institutions – MoW and MoL.

It is important to recall that the members of the CSSSED initially consisted of self-sufficiency enterprise support organizations that had previously worked to promote self-sufficiency enterprises. Although both the WT Foundation and self-sufficiency enterprise support organizations agreed on the need to solve unemployment issues, they originally had different motivations, views and relationships with the government.

First, although these were all groups of organizations working within civil society, their relationship with the government and origins of funding slightly differed one from the other. As a matter of fact, these two groups received government funding to promote either the Social Work Project and/or Self-

sufficiency Enterprises. The "Social Work Project" was funded by the Ministry of Labor from 2003 onwards in order to provide vulnerable groups of people who are not fully employed with work opportunities. Meanwhile, the Self-sufficiency program was funded by the Ministry of Welfare under the law of National Basic Livelihood Security (NBLS) established in 2000. For these reasons, their main disagreements between these two groups reflect also the struggle between two different government departments – the Ministry of Welfare and the Ministry of Labor (Section 6.3.1.1.).

Second, since the funding bodies of the two groups were different, the objectives of their activities differed too. As a matter of fact, the "Self-Sufficiency Program" started out with the enactment of the "National Basic Livelihood Security (NBLS)" in October 2000. Before the NBLS, the beneficiaries of social welfare policies were limited to those who were under extreme poverty, the disabled, children, and the elderly over 60s. However, this limited view on social welfare policies was changed after experiencing the Asian currency crisis of 1997, known for the IMF crisis in Korea. The IMF crisis affected the Korean society in various ways. Most importantly and notably, the number of unemployed increased. Due to the economic difficulties of the government and companies, many people were made redundant even though they were still able and willing to work. This influenced the government and the people to change their view on social welfare policies: not only people who are not able to work struggle in finding job opportunities, but also those who are able to work because of changes in the environment. The IMF crisis also influenced the view that social welfare is supposed to be provided by the government to the people. During the process of overcoming the IMF crisis within a partnership between the government and civil society, not only by the government on its own, citizens in civil society became important actors who can tackle and solve social problems.

Interestingly, the self-sufficiency program emerged from this change of view on social welfare. It was delivered by the MoW who aimed at providing work opportunities for people so they can stand on their own feet thanks to the work experiences within the self-sufficiency program or provided by the self-sufficiency enterprises. This program is based on the belief and on the philosophy according to which work enables the empowerment of people. The role of self-sufficiency centers

is to distribute government funding provided by the MoW by establishing a self-sufficiency enterprise, by hiring the vulnerable in the communities they are located in and by giving them opportunities to learn professional work skills, such as building constructions, sewing clothes and making shoes.

In the meanwhile, the "Social Work Program" was carried out by the MoL since 2003. Given that the Ministry of Labor is in charge of labor and employment issues, the main objective of the "Social Work Program" was to provide work opportunities. More specifically, the MoL mentioned that the Social Work Program had been launched as a pilot program of the Social Enterprise Promotion Act. In other words, the Social Work Program can be seen as a previous institutionalized social enterprise policy in South Korea. Although the government considered the concept of social work and of self-sufficiency enterprise as the same, the positions of the groups of civil society organizations were located differently for their relationship with the government in terms of closeness.

In particular, from the interviews and document analysis, it was clear that these two groups were positioned differently when the SEPA was being developed. As a matter of fact, the first group, which had a greater emphasis on the cooperative discourse of social enterprise, had not been primarily contacted by the government even though they have already established the "Social Enterprise Support Centre" in 2003.

The WT Foundation, instead, had a closer relationship with the government – especially with the Ministry of Labor (MoL) since they had participated in the design of the "Social Work Program" with the MoL and in the delivering of the policy (Working Together Foundation 2013). However, one interviewee (*CE0, Deputy Director, J Intermediary, 20 May 2014, 15:30PM-17:40PM*) who was included in the TFT of the SEPA mentioned that this group also was in disagreement with the government plan of the enactment of the SEPA. They changed their position afterwards because the power of the government was too strong, as stated by CE0:

> "*The government's will to establish this law was too strong to continue resistance against it. Also, we (the second group) expected that we were able to convince the government and negotiate with them so that voices from civil society could be*

included in the law making process of the TFT of the SEPA. (CE0, Deputy Director, J Intermediary, 20 May 2014, 15:30PM-17:40PM)"

Although the CSSSED placed a greater emphasis on the cooperative discourse of social enterprises, these two groups basically shared the same objectives of their activities – solving field-level unemployment and social welfare problems by promoting social entrepreneurship. However, only the WT Foundation and other close organizations were included in the initial policy design process. For this reason, a cooperative discourse along with the actors promoting cooperative discourse was neglected throughout the institutional-building process. After the SEPA, the differences between these two groups became more apparent in terms of directions of their activities and of the discursive and practice strategies put into place against the SEPA. Their diversified objectives, approaches and institutional outcomes they achieved as intra- and extra-institutional actors will be analyzed in the next finding chapter.

6.6 The Strategies of Actors

In this Section, I will summarize the findings of the previous sections related to top-down and bottom-up actors and to their discursive and practical strategies, which are in turn based on their differing positions and interests aimed at legitimating their discourses and activities against one another.

6.6.1 Discursive Strategies

6.6.1.1 Top-down Actors

Endorsing the official discourse and the certification system

Top-down actors *endorsed* the official discourse by claiming it is the only way to legitimate social entrepreneurship activities. They also emphasized the good

sides of the SEPA, given that field-level practitioners can use government subsidies and this helps create jobs for vulnerable social groups in Social Enterprises. In addition to these points, top-down actors also endorse the certification system by claiming it can raise the productivity and efficiency of Social Enterprises by providing subsidies only during a given time – a maximum of three years. Since Social Enterprises are required to be fully financially independent in the three years after their establishment, certified Social Enterprises are assumed to be working hard to raise their own income under this certification system.

Invoking the Idea of Certification from the United Kingdom

During the legislation process of the SEPA, some of the main policy makers, such as researchers at the Korean Labor Institute (KLI), government officers in the Ministry of Employment and Labor (MoEL) and members of the National Assembly, carried out research on overseas cases, mainly from European countries such as the UK, Italy, and Spain. Among these, the country which caught the eyes of the Korean government more than others was actually the UK. Here, in 2005 a legal form of social enterprise was established – the Community Interest Company (CIC) in 2005.

> "*The MoEL took the model of the CIC as a fundamental benchmark throughout the entire process. In the UK, the government financially supports registered social enterprises. These were part of the government procurement for the rehabilitation of poor villages and cities. After researching cases of social enterprises in the UK, the MoEL decided to implement the certification system. (BD3, Manager, C Government Department, 15 June 2014, 18:09PM-17:44PM)*"

Regardless of whether the Korean government *mistranslated* or *misunderstood* the system of the CIC that provides one of legal organizational types for social enterprises (Department for Business Innovation & Skills 2011), it definitely changed shape and form when the standard certification system was introduced to the Korean context. By *invoking* a translated British social enterprise policy – the certification system- the government justified the need to standardize the meaning and the organizational forms of Social Enterprise.

Challenging other non-institutionalized discourses

The MoL *challenged* other oppositional discourses by claiming that they were not publicly accredited. In other words, top-down actors considered a new organizational form to be legitimated only when political authorities institutionalize it. By considering themselves as powerful political authorities who lead institutional-building and changing processes, they were able to include or exclude field-level actors based on the certification standards that they had developed. As a result, cooperative and local development discourses were not included in the initial concept of Social Enterprise in the SEPA.

6.6.1.2 Bottom-up Actors

Endorsing official discourses in terms of legitimation

Bottom-up actors *endorsed* the official discourse by claiming that it legitimated their social entrepreneurship activities. They disagreed with the timing of the establishment of the SEPA because they considered the social entrepreneurship field to not be mature enough yet for social enterprises to maintain levels of sustainability over time. Bottom-up actors also challenged the official discourse by claiming that the SEPA limits the scope of definition and the activities of social enterprises. Regardless of these points of disagreement, bottom-up actors acknowledged top-down actors as powerful actors who can bring social entrepreneurship activities into the institutional field by means of legalization processes. BB7's statement summarizes their main arguments as follows:

> "*People who were running workers' cooperatives and self-sufficiency enterprises also agreed with the institutionalization of social enterprise activities. However, the definition, purpose and stakeholders of social enterprises along with the potential outcomes of the SEPA had not been clearly discussed at that time. We encouraged the government and other actors to take more time to discuss these points and to*

achieve a consensus on the SEPA, but this didn't work out. (BB7, Deputy Director, P SE Network, 22 May 2014, 17:14PM-18:25PM)"

Endorsing workers' cooperative discourse as an original motivation of social enterprises

The CSSSED *endorsed* the workers' cooperative discourse by claiming it was the original organizational form including both social and economic objectives to be achieved through business activities. They also emphasized the fact that cooperative governance can empower the participants of social entrepreneurship activities by enabling them to be involved in the decision making process of an organization. However, this discourse was *rejected* by top-down and other bottom-up practitioners because they believed that it was too idealistic to actually be carried out in the field.

6.6.2 Practical Strategies

6.6.2.1 Top-down Actors

Legal restrictions, resources and the use of a higher cultural position

The government, as a representative of the top-down actors in the institutional field of Korean social enterprises, had developed several practical strategies to support their discourse so that it could be powerful enough to be accepted by other actors.

First, the MoL defined the concept of Social Enterprise based on the law, the SEPA, and legally restricted the use of the name Social Enterprise to only certified social enterprises, and not the uncertified ones. As a matter of fact, according to the SEPA, an uncertified social enterprise can be fined if they use the name of Social Enterprise without having a certification. In 2012, Delight, which had been certified once as a preliminary social enterprise by the Seoul Metropolitan Government in 2010, was fined approximately £3,360 (5,000,000 Won) because they had used the name Social Enterprise (E-Daily 2012). Delight has been considered one of best role models of social enterprises after winning the first prize as a social venture start-up at

the “Social Venture Competition” hosted by the MoEL in 2010 (Korea Social Enterprise Promotion Agency 2014). Nevertheless, Delight has not been legally acknowledged as a Social Enterprise because of the lack of certification.

Second, in 2008 the MoEL changed the name of the “Employment Creation Support Division” to the “Social Enterprise Division” under the “Bureau for Human Resources Policy in Aged Society” of the “Employment Policy Office” within the Ministry (Ministry of Labor 2008). The MoEL also established the “Korea Social Enterprise Promotion Agency (KOSEA)” which was then amended by Article 20 of the SEPA on 8th June, 2010. According to the SEPA, the KOSEA conducts social enterprise related projects such as: “1) training social entrepreneurs, scouting for a model of social enterprise and supporting commercialization; 2) monitoring and evaluating social enterprises; 3) establishing social enterprise networks by business type, area and in the entire country and supporting the operation thereof; 4) constructing and operating the websites of social enterprises and an integrated information system; 5) providing consultancy to improve business administration, technology, taxation, labor or accounting issues; 6) cooperating in international exchanges related to social enterprises; and 7) other businesses related to social enterprises, which have been entrusted as prescribed by this Act or other Acts and subordinate statutes” (SEPA, Amended by Act No. 11275, 1st February, 2012).

The “Social Enterprise Division” solely deals with Social Enterprise promotion policies and a governmental agency, the KOSEA. The establishment of new institutions which are exclusively responsible for delivering Social Enterprise policies shows that the government considers the issue of promoting Social Enterprise of top priority. Also, founding the “Social Enterprise Division” in the MoEL is further proof of the government’s intention to prioritize the promotion of Social Enterprises.

Third, the MoEL provided financial resources to social entrepreneurs to establish and run certified Social Enterprises. A certified Social Enterprise can receive government subsidies for the employment of vulnerable social groups and professionals who can contribute to business improvement for three to five years. Additionally, every certified Social Enterprise can obtain corporate and income tax exemption 100% for the first year and 50% for the second and third year. Moreover, a certified Social Enterprise can selectively receive subsidies for business

development expenses. In addition, apart from the subsidies for certified Social Enterprises, social ventures which have been selected as start-ups with the potential to be certified as Social Enterprises also receive subsidies for initial business development, temporary offices and consulting services from intermediary organizations.

Fourth, the MoEL has also been promoting public awareness on Social Enterprise in various ways. The official definition, objectives, activities and examples of good social enterprises have been publicly advertised on public transportations with the faces of public figures who were appointed as patrons of Social Enterprises. Interestingly, the MoEL organized the "Social Enterprise Song Contest" in 2008. The best song "Beautiful Social Enterprise" which was selected was sung by a famous singer to increase public awareness on Social Enterprises. Also, the song was added to public advertisements on TV and radio.

Lastly, the MoEL has published a "Social Enterprise Magazine" along with posts on the "KOSEA Blog"[6] about Social Enterprise activities and about the cases of good national and overseas Social Enterprises. The "Social Enterprise Magazine" was published by the "Research Institute for Social Enterprise" in June 2007 for the first time. After that, the Ministry of Labor and the Research Institute for Social Enterprise co-published the magazine until July 2012. In July 2012, the KOSEA started to publish the "Social Enterprise Magazine – 36.5" independently.

Fifth, besides public advertisements, the MoEL has been educating social entrepreneurs before and after completing the certification process. An example of this initiative is given by the "Social Entrepreneurs' Academy", both for potential social entrepreneurs and actual social entrepreneurs who are running certified Social Enterprises. The Academy was founded in 2010 at a national level. Other academies for the CEOs of Social Enterprise have also been developed at a local level, such as the Seoul Metropolitan Government which started in 2011.

Sixth, the MoEL has not only been working with top-down actors. As a matter of fact, government officers who are in charge of promoting and supporting social entrepreneurship continuously communicate with other actors by taking part in conferences and seminars on social enterprises and delivering talks from the government's perspective. Government actors tend to indirectly communicate with

[6] KOSEA Blog, http://blog.naver.com/se365company

the field through the KOSEA and through intermediary organizations. Yet, they regularly monitor and receive feedback on Social Enterprise related policies thanks to continuous workshops, meetings and reports submitted by research institutes and intermediary organizations. For example, the KOSEA has conducted biddings for the evaluation of projects hosted by the MoEL and the KOSEA since July 2009. More specifically, the KOSEA has evaluated their educational projects, such as "Social Enterprise Academy", "Young Entrepreneurs' Support Program" and the "Consulting Program." Moreover, some of the government officers in charge of supporting Social Enterprise policies have participated as judges in fellowship programs organized by bottom-up actors. These various forms of interaction between top-down and bottom-up actors provided an additional opportunity to deliver the official norms and understandings from the government's perspective. However, this was not only one-way. As a matter of fact, these interactions were also a way for field-level understandings on social entrepreneurship and activities in practice to be communicated to top-down actors.

Table 6-4 Practical Strategies of the Government to Promote the SEPA

Practical Strategies	**Contents**
Legal restriction on the use of name Social Enterprise	The government certifies that a Social Enterprise had to fit the definition and criteria provided by the SEPA. The government fines those organizations which call themselves social enterprises without being certified.
Establishment of new departments	The government established a department exclusively for Social Enterprises under the Ministry of Labor. The government established a Korea Social Enterprise Agency under the MoEL that is exclusively responsible for delivering social enterprise policies.

Providing resources	Subsidies to Social Enterprises for the employment of vulnerable people for three to five years. Subsidies to Social Enterprises to employ professionals for three years. Tax exemptions to certified Social Enterprises. Business development expenses to selected Social Enterprises. Business development expenses and temporary offices to selected social ventures (potential Social Enterprises).
Use of higher position	Fast institutionalization regardless of opposite opinions.
Public marketing	The government publicizes the definition of social enterprise along with good examples and government policies in public transportation. The government appointed public figures as patrons of Social Enterprise. The government publicized the Song of Social Enterprise sung by a famous singer. Public advertisement was broadcast on TV. The government published a Social Enterprise Magazine and a blog on Social Enterprise.
Educating social entrepreneurs	Educational programs were delivered to (potential) social entrepreneurs. Lectures/presentations were delivered at Social Enterprise educational programs hosted by the MoEL. Consultancy services were provided for Social Entrepreneurs.
Interaction with other actors	Participation in conferences and seminars on social enterprise with presentations on the government's perspective. Participation as a judge in private social entrepreneurs' fellowship programs. Continuous monitoring of field-level discussions through workshops, meetings and reports submitted by intermediary organizations.

6.6.2.3 Bottom-up Actors

Providing evidence of their actual activities in the field (See also 8.6.2.1.)

Bottom-up actors promoting cooperative discourses provided evidence of their actual activities and achievements in order to be legitimated as Social Enterprise. First of all, they claimed that their activities started back in the 1990s under the influence of cases of overseas workers' cooperatives, such as Mondragon in Spain. For example, they cited the book entitled "Making Mondragón: The Growth and Dynamics of the Worker Cooperative Complex (Whyte and Whyte 1991)" translated into Korean with the title "Let's Learn from Mondragón (Whyte 1992)" in 1992. From these overseas cases they learnt that workers' cooperatives can be an alternative organizational form promoting the equal status of employers and employees by adopting the cooperative mind-set – namely, the participatory governance. Based on overseas cases, they tried to build workers' cooperatives, such as the "Thread and Needle" and "Narae Construction" from the 1990s onwards. Before the self-sufficiency enterprise, there was no legal form of cooperative except for specialized cooperatives, such as the Agricultural Cooperative, Credit Union and Fishery Cooperatives that nowadays have been transformed into banks. For this reason, workers' cooperatives have been established as unauthorized cooperatives until the organizational form of the self-sufficiency enterprise was introduced by the government – Ministry of Welfare.

Establishing a collective organization and interactions with top-down actors – CSSSED (See also 7.4. and 8.6.2.2.)

In order to actively interact with top-down actors, about nineteen work-related civil organizations established the "Council of Social Work and Social Enterprise Civil Society Organizations" in August 2008 to collect and communicate the opinion of civil society to the Task Force Team. As a collective organization, they officially submitted a report concerning the limitations and problems of the SEPA to the National Assembly in March 2006. Later, in April 2006, they

participated in a public hearing organized by the National Assembly and addressed their position which challenged the limited definition of Social Enterprise which in turn did not embrace their activities and organizations. During the initial institutionalization process of the SEPA, the CSSSED was the only actor who was openly against the legislation and the contents of the SEPA.

Participation in the SEPA Task Force Team

Some bottom-up actors represented by the WT Foundation participated in the SEPA Task Force Team as field-level practitioners. At the beginning they had refused the idea of the SEPA because they believed that the social entrepreneurship field was not mature enough yet. However, they basically agreed with the top-down actors that the field-level problems of unemployment and of unstable social welfare services had to be solved, and that the legalization could provide the official status of Social Enterprise to relevant field-level organizations. Accordingly, they became closer to the MoL as partners who were able to deliver field-level opinions. These changes in bottom-up actors' social positions are analyzed in greater detail in Chapter Eight.

6.7 Conclusion

This Chapter argues that the initial stage of the institutional-building process of the SEPA was not as simple as it has been described in government documents and by previous research. Regardless of the existence of powerful actor – the government in this case, an institutional building process is further complicated when multiple actors who present different understandings and backgrounds are involved. More specifically, the SEPA is the result of multiple struggles between actors in the policy area and in civil society which took the form of big and small disputes on the institutional meaning and setting of Social Enterprise.

As a matter of fact, actors in the social entrepreneurship field have promoted their own discourses of social enterprise in various ways in order to resist the top-down attempt to standardize their discourses and activities. However, as Cast (2003)

found, the definition promoted by powerful actors is accepted more easily by other actors in the meaning-making process. Thus, this Chapter concludes that the institutional pressure cannot be resisted especially when the powerful actor disables sufficient discussions on what to include or exclude in the meaning of social enterprise with a strong interest in leading the institution-building process.

7 The Emergence of Oppositional Discourses of Social Enterprise

7.1 Introduction

"*Social enterprise has become a proper noun because of the SEPA. Now people perceive a social enterprise only as the certified social enterprises supported by the Ministry of Employment and Labor (MoEL). The value of social enterprise should not be standardized but diversified. However, the SEPA has limited the scope of the value, the meaning and the boundaries of social enterprise. (DW2, Researcher, U Institute, 10 June 2014, 13:58PM-16:03PM)*"

Early institutionalists claim that value and social meaning are instilled to organizations especially under dominant institutional mechanisms (Berger and Luckmann 1991). Instead, neo-institutionalists and institutional entrepreneurship emphasize the importance of the role of actors who are not "passive recipients of institutional frameworks" (Scott 1995; Seo and Creed 2002: 240) to achieve an agreement on institutional meaning and settings. An in-depth investigation of the case of oppositional discourses which emerged under the pressures of the SEPA can help me examine how social actors push their own discourses in reaction to the dominant discourse and which strategies they use to do so. In other words, do they accept the given institutional framework? Do they influence dominant actors who then introduce changes or do they fully reject the dominant discourses?

In this Chapter, I will firstly provide an overview of the emergence of the oppositional discourses which criticize a dominant discourse and its viewpoints, but without fully rejecting them (Karim 1993). Second, I will provide an analysis on the contents of the debate on the SEPA between groups of actors promoting oppositional and official discourses. Third, in order to capture the discursive struggles between the two different groups of oppositional actors, I will analyze their discourses based on Van Dijk (1995)'s framework on in-group and out-group identification which has been introduced in Chapter Three. Then, I will analyze each group's approaches and

strategies related to the SEPA using Schneiberg and Lounsbury (2008)'s approach on extra and intra-institutional forces which was discussed in Chapter Two, in order to examine the interactions with top-down actors and the outcomes of the interactions. At the end of the Chapter, I will conclude by drawing from the previous considerations on how intra- and extra-institutional entrepreneurs empowered themselves to be institutional entrepreneurs and on which discursive and practical strategies enabled them to do so.

7.2 The Emergence of Oppositional Discourses

A discursive approach emphasizes the fact that different social actors put forward claims against dominant discourses on the basis of their own positions and interests (Maguire and Hardy 2006). According to this approach, struggles between different actors understandably take place in the institutional field, in order to sustain their social positions or to negotiate the meaning of an organization (Maguire and Hardy 2006). In the Korean social entrepreneurship field, the struggles over the meaning of social enterprise developed as outcomes of the institutional pressure of the SEPA that attempted to integrate diverse actors and their discourses into a single standard.

One of the key recurring themes in my data sources, and mainly in the interviews, is given by the confusion over the official meaning of Social Enterprise. As a matter of fact, during the interviews, in order to prevent any confusion between the different discourses of social enterprise of each actor, I found myself having to describe the institutionalized meaning of Social Enterprise as "the Social Enterprise as defined by the SEPA." Meanwhile, I described the other forms of social enterprise which had not been included in the official definition as "uncertified social enterprises", "social enterprises in broad terms", "organizations which are supposed to be social enterprises", or "bottom-up social enterprises."

This confusion over the meaning of social enterprise is rooted in the disagreement on the official definition of Social Enterprise. In Chapter Four of this thesis, local development, cooperative and social economy discourses are identified as oppositional discourses. The main actors promoting these oppositional discourses

are represented by bottom-up actors, including intermediary organizations and Civil Society Solidarity for Social Enterprise Development (CSSSED).

Intermediary organizations, instead, such as the Working Together Foundation (WT Foundation) basically share the same viewpoint of top-down actors on the institutionalization of Social Enterprises, as I found in Chapter Six. More specifically, they consider their activities and discourses to be legitimated when they are integrated into the certification system, as BJ7, director of a social enterprise network in local communities, actually mentioned:

> "*A social enterprise can be perceived as social enterprise because the meaning and criteria have been institutionalized by the law. Otherwise, if you call your organization "social enterprise" without this being institutionalized, it cannot be recognized as a social enterprise by society, especially in the Korean context. (BJ7, CEO, G SE, 16 June 2014, 14:04PM-16:00PM)*"

In addition, intermediary organizations who implement the SEPA also share the institutional meaning of Social Enterprise, containing work-related, welfare-related and corporate social responsibility (CSR) discourses, which are mainly promoted by top-down actors. However, oppositional actors also promoted local development discourses from the beginning of the institutional-building project of the SEPA. Their arguments on the contents of the SEPA and the strategies used for the local development discourse to be included in the SEPA will be analyzed in Section 7.4.

The CSSSED, instead, promotes local development, cooperative and also social economy discourses against the official discourse. More specifically, the discourse on local development highlights the core objectives and the role of social enterprises, which aim to develop an economically and socially sustainable local community. The cooperative discourse of social enterprises emphasizes, instead, the need to implement the principles of cooperative governance into the official meaning of social enterprise. Finally, moving to the social economy discourse of social enterprises, this discourse focuses on social entrepreneurship activities as a part of the social economy and not of the market economy. The CSSSED also basically agreed on the need for an institutionalization of social enterprises and on the basic

concept of social enterprise, as described in the SEPA. Nevertheless, the CSSSED pointed out that the institutionalized meaning of social enterprise according to the law is too limited and therefore does not include the value and philosophy of social enterprise, as explained by DW2:

> "*Social enterprise has become a proper noun because of the SEPA. Now people perceive a social enterprise only as the certified social enterprises supported by the Ministry of Employment and Labor (MoEL). The value of social enterprise should not be standardized but diversified. However, the SEPA has limited the scope of the value, the meaning and the boundaries of social enterprise. (DW2, Researcher, U Institute, 10 June 2014, 13:58PM-16:03PM)*"

Even bottom-up actors who shared a common background related to civil movements do not fully agree with each other's ideas concerning the purposes of social enterprise activities and the role of institutionalization. In order to capture the discursive struggles between the two different groups of oppositional actors, I firstly analyzed their discourses based on Van Dijk (1995)'s framework on in-group and out-group identification. Then I analyzed their approaches and strategies in relation to the SEPA by using Schneiberg and Lounsbury (2008)'s extra and intra-institutional force approach in order to examine their interactions with top-down actors and the outcomes of these interactions.

7.3 Changes of Social Position

7.3.1 From Out-group to In-group Actors

In the following Section, I shall discuss in greater depth how intermediary organizations changed their social positions to in-group actors from out-group actors of the institutional field during the institutional-building process of the SEPA.

One major question which needed to be addressed by the SEPA was how the government was able to identify the term social enterprise and the idea of institutionalization, even though social entrepreneurial activities had initially

emerged from civil society – more specifically from workers' cooperatives. According to many interviewees, the role of civil society organizations – which had been transformed as intermediary organizations – was of great importance in that they acted as messengers or bridges between the government and civil society actors who were already involved in social enterprise activities. CS1, the Deputy Director of the K Intermediary, emphasized the role of pre-intermediary organizations in *delivering field-level opinions and suggesting ideas for policy*:

> "*Intermediary organizations had been established after the enactment of the SEPA to deliver policies in the field. Interestingly, the people who established these intermediary organizations had taken part in the legalization process. At that time, the definition of social enterprise was not very clear even for us. So we focused on collecting and delivering field-level practices of social enterprises to the SEPA TF Team and on suggesting policies that can reflect field-level opinions. (CS1, Deputy Director, K Intermediary, 16 May 2014, 15:04 PM-15:49PM)*"

The main actor who worked as a messenger between the government and civil society was the WT Foundation, previously known as the National Movement Committee for Overcoming Unemployment (NMCOU). Although the NMCOU worked together with the government during the Asian currency crisis – named IMF crisis in Korea – in 1997 in order to dissolve field-level struggles, before the enactment of the SEPA the relationship between the MoEL and the NMCOU was not as close as it became after the SEPA.

From both the government and the intermediary organizations' perspectives, they did not consider each other as in-group actors until the Ministry of Labor organized the SEPA Task Force Team in 2005 as shown in Table 7-1. NMCOU got closer to the government because this group managed the money collected from people in order to overcome the difficulties during the IMF crisis of 1997. Although the government did not control the use of these funds, the government provided the office and the fund management system for transparency.

From the government's perspective, intermediary organizations were considered as an out-group, as mentioned by CE0:

"*The objectives of actions differed between the government and the intermediary organizations. Actually, they could have been included in the SEPA TF Team only because the president had an amicable relationship with the civil society. (CE0, Deputy Director, J Intermediary, 20 May 2014, 15:30PM-17:40PM)*"

The interviewee implies that the close relationship between the government and civil society had not been formed until the presidency was changed in 2003. Besides that, not much was mentioned in relation to intermediary organizations from the government's perspective before 2005. By contrast, intermediary organizations were considered as in-group actors in the institutional field mainly led by the government since 2006, as shown in Table 7-1.

After the intermediary organizations had joined the SEPA TF Team in 2005, the government's view on them positively changed, as BH6, the director of F government department, stated:

"*We can trust intermediary organizations, and not the beneficiaries (Social Enterprises) to manage and deliver policies with government funding. Intermediary organizations have to support and help the government to deliver the funding efficiently and fairly. (BH6, Director, F Government Department, 13 June 2014, 15:09PM-16:30PM)*"

The government's view on the intermediary organization – formerly work-related civil organization – positively changed firstly because the government expected intermediary organizations to take over some of the work as policy partners. Indeed, intermediary organizations collected field-level opinions from certified Social Enterprises and facilitated communications with other actors in the social entrepreneurship field. Second, by integrating some work-related organizations into the policy area, the government was enabled to mobilize existing networks and business ideas. The government co-opted intermediary organizations as well as certified Social Enterprises by providing financial funding, which became an alternative source of finance for operating their own social agendas.

Table 7-1 Changes in Describing "Intermediaries" from the Government Perspective

As an out-group (2003)	2005	As an in-group (2006~)
The objectives of their actions were different.	Part of the SEPA TF Team	We can trust intermediary organizations, but not the beneficiaries (Social Enterprises) to manage and deliver policies with government funding, not beneficiaries.
They could be included in the SEPA TF Team because the presidency had an amicable relationship with civil society which used to be against government policies and to advocate achieving political democracy.		Intermediary organizations have to support and help the government to deliver their funding efficiently and fairly.
		Intermediary organizations have to carry out a crucial role to gather practitioners' opinions and to create a communication network between different actors.
		If an intermediary organization plays its role properly, it will be able to gain more power to negotiate with the government.
		Intermediary organizations also need to diverse their sources of finance.

In summary, on the basis of the analysis of the results following the framework by Van Dijk (1995), the descriptions of civil society/intermediary organizations have been shifted from out-group actors to in-group actors. As a matter of fact, the government *de-emphasized* and *marginalized* the role of civil society who was traditionally against government policies and therefore could not have been included in the legalization process previously. In addition to this, the government had also *denied* the role of civil society by stating that "*their objectives of actions are*

different." In sum, because the government considered civil society as out-group actors, they had *understated* civil society.

The position of civil society explicitly changed to in-group actors from out-group actors after 2005, when intermediary organizations rooted in civil society joined the legalization process of the SEPA. From this point onwards, the government *attributed* to intermediary organizations the task of delivering SEPA policies efficiently and fairly. They also *asserted* that intermediary organizations accomplish a crucial role in communicating with field-level beneficiaries. In addition to these considerations, the government *directly* stated that intermediary organizations also *gain more power, more resources and higher positions* by being in-group actors.

Interestingly, not only did the government's descriptions of intermediary organizations change positively after the introduction of the SEPA, but also the intermediary organizations' descriptions of the government. Before 2005, intermediary groups also considered the MoEL as an out-group by *under-estimating* the level of government understanding on social enterprise, as highlighted by CE0:

> "*The MoEL did not understand what a social enterprise is. Our broadcast campaign on social enterprises has improved their understanding of the concept. (CE0, Deputy Director, J Intermediary, 20 May 2014, 15:30PM-17:40PM)*"

Moreover, interviewees mention that they had initially *resisted* the original legislation plan of the SEPA:

> "*Social Work TF organizations in civil society had submitted formal questions to the Ministry of Strategy and Finance (MoSF) regarding their policy plans for social service work in 2004. In the opinion of civil society (represented by Social Work TF organizations here), the policy plan of the government on social service work had not been suitably designed but was only a tool to increase the employment rate. (CE0, Deputy Director, J Intermediary, 20 May 2014, 15:30PM-17:40PM)*"

Civil society organizations also claimed that they had started activities to promote social enterprise *even before the enactment of the SEPA*. For example, the Working Together Foundation worked with the KTV (Korea TV) and KBS (Korean

Broadcasting System) to produce and air a documentary on workers' cooperatives and social enterprises in other countries to deepen the public's understanding of what a social enterprise is.

> "*The documentary actually improved the government's understanding of social enterprises. (CE0, Deputy Director, J Intermediary, 20 May 2014, 15:30PM-17:40PM)*"

When the Ministry of Strategy and Finance (MoSF) announced the Policy Plan on Social Service Work in 2004, the Social Work TF organizations submitted formal questions to the government asking for a justification for the use of the term social enterprise in the employment policy.

Table 7-2 Changes in Describing "Intermediaries" from Their Own Perspective

As an out-group (2003-2005)	2005	As an in-group (2006~)
MoEL does not understand what a social enterprise is.	Participated in the TF team on the SEPA.	MoEL and government officers tried to understand social enterprises and protect civil organizations involved in the institution building process.
We resisted the legislation of the SEPA in 2005.		We interacted with each other and built a strong partnership with the MoEL in order to include social entrepreneurs' opinions from the field.
We (civil society) developed a broadcast campaign on social enterprises together with KTV and KBS. It improved the government's understanding of social enterprises.		
Social Work TF organizations submitted a questionnaire to the Ministry of Strategy and Finance (MoSF) regarding their policy plan on social service work in 2004.		When the government began the legislation process, we had to accept and follow it (we could not hold them back) (cultural and historical context).
Their policy plan on social service work was not suitably planned as a tool to increase the employment rate.		Unemployment issues were the most important agenda at that time (context).

After 2005, intermediary organizations notably changed their statements on the MoEL and their policies after joining the Task Force Team on Planning the SEPA. They started to perceive the government as positive and helpful. In addition to this, they also *praised* the government's effort to institutionalize the meaning of social enterprise:

"*The MoEL and the government officers tried to understand social enterprise and to protect civil organizations involved in the institution building process. (BH5, Professor, E University, 23 June 2014, 13:05PM-14:22PM)*"

They also *emphasized* the good partnership with the government:

"*We interacted with each other and built a strong partnership with the MoEL in order to include social entrepreneurs' opinions in practice. (CE0, Deputy Director, J Intermediary, 20 May 2014, 15:30PM-17:40PM)*"

Lastly, they also pointed out the *context*, where they *had to collaborate* together on the SEPA:

"*Unemployment issues were the most important agenda to be solved at that time. (CY2, Director, L Intermediary, 15 May 2014, 10:10AM-11:10AM)*"

"*When the government begins the legislation process, we have to accept and follow it (we cannot hold them back). (CK4, Deputy Director, M Intermediary, 15 May 2014, 15:41PM-16:48PM)*"

It is important to recall that the groups selected as intermediary organizations *share the same view* with the government. As a matter of fact, according to interviewees who work in an intermediary organization, only certified Social Enterprises were considered to be social enterprises, which corresponds to the official discourse of social enterprise in South Korea. Some interviewees even mention that:

"*If the meaning of social enterprise is not institutionalized by the government, Social Enterprise would have no effect at all in the Korean society and no one would have accepted an un-institutionalized meaning. (BJ7, CEO, G SE, 16 June 2014, 14:04PM-16:00PM)*"

7.3.2 From In-group to Out-group Actors

From the oppositional perspective promoting workers' cooperatives and social economy discourses of social enterprise, intermediary organizations were obviously considered as out-group actors even when they moved into the position of in-group actors in the institutional field. As a matter of fact, some field-level bottom-up actors *denied* the active role of intermediary organizations in negotiating the meaning of social enterprise with top-down actors. They stated that intermediary organizations *did not actively negotiate* with the government for the official meaning of Social Enterprise. From bottom-up and out-group actors' perspective, organizations that have now become intermediary organizations *did not push* the agenda of local development and cooperative discourses hard enough to be included within the official discourse of Social Enterprise. According to this perspective, intermediary organizations are criticized for handing over the social enterprise initiative to the government in order to promote *their* own social position and gain more power for themselves, rather than for the entire social entrepreneurship community. Thus, intermediary organizations are considered as administrative-friendly organizations that are in favor of the government.

From the perspective of those bottom-up actors who actively promoted social enterprise activities by using workers' cooperative and local development discourses and by consequently establishing workers' cooperatives in local communities in practice, intermediary organizations *were not aware of* what a "real" social enterprise is. This is because intermediary organizations had no experience in running a social enterprise, such as a worker's cooperative, which is an organization model that social enterprises are obliged to adopt.

On the other hand, intermediary organizations also consider other bottom-up actors who promote local development and worker's cooperative discourses as out-group actors. First, intermediary organizations claim that the cooperative discourse is too idealistic and does not fit with the Korean context. Second, intermediary organizations also believe that they are the actors who have the ability of creating a good relationship with both the government and field-level social entrepreneurs. Other bottom-up actors, such as the CSSSED, are closer to the field than other intermediary organizations because they established and ran social enterprises which

imitated the organizational form of workers' cooperatives. However, intermediary organizations claim that bottom-up actors have failed to reflect the actual needs of field-level social entrepreneurs, corresponding to the acquisition of more resources to run a business, in their legislative bill.

7.4 Conflict After the Institutionalization

As highlighted in the previous Section, oppositional actors positioned themselves differently in terms of their understanding of the meaning of social enterprise and of the certification as a policy ground legitimating social enterprises as an organizational form. In this Section, on the basis of the contents of the debate on the SEPA, I will identify their struggles over the meaning of social enterprise and over the legitimacy of the certification system, which was supposed to reflect the original motivations of social enterprise activities.

7.4.1 Contents of the Debate on the SEPA

Although the CSSSED took the position of an out-group actor with respect to the government, this does not mean that they refused altogether to interact with other actors. On the contrary, they actually promoted their own discourses at meetings, public hearings and in official documents. More specifically, the CSSSED and the MoEL related to different discourses on the topic: the MoEL focused on the outcome and on the efficiency of institutionalizing a new organizational form, while the CSSSED focused on the value and the meanings which are embedded in it. Table 7-3 shows how the meaning of social enterprise and of the certification systems are shaped differently by official and oppositional discourses based on the following elements: *object, key concepts, key subject positions and possibility conditions* (Maguire and Hardy 2006).

Table 7-3 Comparing Discourses in 2006

Element of the discourses	Official discourse	Oppositional discourse
Object	Social enterprises, such as charity shops, NGOs providing educational services and social services to the defined vulnerable social groups	Social enterprises, such as workers' cooperatives, self-sufficiency enterprises
Key concepts	Providing work opportunities; Providing social welfare services to the vulnerable; Certified with certain criteria	Providing work opportunities; Providing social welfare services to the vulnerable; Participatory governance according to which each stakeholder takes part in the decision making process; Either certified or registered depending on the organizational objectives.
Key subject positions	The government is the key actor who is responsible for the legitimation; NGOs do not have the right management, knowledge and skills to manage social enterprises in a financially sustainable way; Big corporations have responsibility over social problems and they shall contribute to social entrepreneurship activities.	NGOs are ready to solely organize and manage social entrepreneurship activities; The government always takes the initiative which emerged from civil society by means of institutionalization without being concerned about field-level issues.
Possibility conditions	"Institutionalizing the concept of social enterprise" is a valid discursive construction for top-down actors; "Excluding the criteria of having cooperative governance" is a valid discursive construction for top-down actors.	"Institutionalizing the concept of social enterprise" is not a valid discursive construction for the top-down and bottom-up actors. "Excluding the criteria of having cooperative governance" is not a valid discursive construction for top-down and bottom-up actors.

First, it is important to note that top-down and bottom-up actors have different understandings over the organizational forms that can (potentially) be social enterprises. More specifically, top-down actors who shaped the official discourse of Social Enterprise considered Social Enterprises as charity shops, as NGOs providing educational and social services to specific vulnerable social groups. In addition to this, for top-down actors, the key concepts of Social Enterprise are centered on providing work opportunities and social welfare services to vulnerable social groups. Moreover, from the top-down perspective, Social Enterprises have to be certified with certain criteria established by the government in order to monitor the use of subsidies.

Second, all these key concepts discussed above are closely related to how top-down actors positioned themselves and other actors in this institution-building project. With regard to this point, the government positioned themselves as powerful dominant actors who can legitimate Social Enterprises by institutionalizing the criteria which define Social Enterprises as such. The government along with big corporations, who are powerful actors in the institutional field, were expected to provide certified Social Enterprises with legal, financial and managerial support. However, the government considered NGOs, which are potential Social Enterprises, to not be endowed with the suitable management knowledge and skills to generate enough profits as an enterprise.

Third, the elements of the official discourse created the following possibility conditions of possibility. First, 'institutionalizing the concept of Social Enterprise' is a valid discursive construction for top-down actors. From the governmental perspective, the fast institutionalization process has been considered as a unique and taken-for-granted characteristic of the Korean government. The second condition of possibility is that 'excluding previous forms of social enterprise such as cooperatives and self-sufficient enterprises' is a valid discursive construction for top-down actors. As a matter of fact, the government considered that self-sufficient movements have shown their limitations in contributing to the creation of work opportunities and delivering social welfare services.

Moving to the perspective of bottom-up oppositional actors, these considered social enterprises as workers' cooperatives and self-sufficient enterprises which they

had established long before the SEPA. For bottom-up actors, the key concepts constituting the meaning of Social Enterprise include: providing work opportunities and social welfare services to the vulnerable, having a participatory governance where each stakeholder takes part in the decision making process within organizations, being certified or registered depending on the organizational objectives and the profits they make.

From the perspective of the CSSSED, the SEPA has neglected the most important characteristics of social enterprises, including the contributions to local development through social entrepreneurship activities and the presence of a cooperative governance structure. While the CSSSED insists that having a cooperative governance is the key of social enterprises, actors in favor of the SEPA believe that this will cause inefficiencies to the decision making process.

It is important to recall that the members of the CSSSED, who are mainly organizations related to self-sufficient activities and workers' cooperatives emphasizing community spirit and social solidarity between members of society, believed that reviving communities through social enterprise activities was an objective of primary importance. For this reason, any members of society, including the vulnerable people in the labor market, should not be excluded from this.

Given these considerations, the CSSSED was of the opinion that field-level actors were not ready to establish and run social enterprises which were in line with governmental criteria. They insisted on the need for a detailed investigation of what local actors can do and what they would like to do. According to this point of view, the government always takes on initiatives which emerged from civil society by means of institutionalization but without being too concerned about the field-level issues which they are embedded in and the historical and philosophical background of the actors which are involved.

By challenging the criteria of Social Enterprise described in the SEPA, the CSSSED also claimed that the official discourse neglects the value of social enterprises as developed by field-level actors. As a matter of fact, the initial legislative bill of the SEPA clarifies that the employment ratio of vulnerable social groups should be more than 40% if a Social Enterprise wishes to achieve the certification. However, the CSSSED claims that first, the ratio given to Social Enterprises is too high to be reached in practice, and second, that these criteria will

affect the public image of Social Enterprise as an organization which operates only for vulnerable social groups.

The elements of the oppositional discourse which generated conditions of possibility (i.e. "institutionalizing the concept of Social Enterprise without understanding field-level issues") are not valid for both top-down and bottom-up actors. As a matter of fact, from the CSSSED perspective, the initial institution-building process of Social Enterprises was too fast and did not involve many interactions with local actors. For bottom-up actors who had already adopted and carried out social entrepreneurship activities in local communities, even before the institutionalization, social enterprise was a new organizational form based on the spirit of community and on the solidarity of civil society. However, the SEPA has been structured too fast and on the basis of overseas cases without taking into account the political, social and historical contexts and relationships between different actors in the field.

Another condition of possibility which is not a valid discursive construction for both top-down and bottom-up actors is the following: "excluding previous forms of social enterprise such as cooperatives and self-sufficient enterprises." From the CSSSED perspective, as a result of the fast institutionalization of social enterprises which did not enable a sufficient development of enough interactions with other actors, previous organizational forms, such as self-sufficient enterprises, have been totally neglected and the government did not use existing resources and networks efficiently.

Unlike the government, but in line with the CSSSED, intermediary organizations did not believe the field to be mature enough to be institutionalized. From their perspective, Social Enterprise has been institutionalized too quickly under the government's strong policy implementation. During this institutionalization process, interactions with other actors, who were actively promoting social enterprise activities, had not been fully and appropriately carried out. The lack of interactions due to the rapid institutionalization resulted in the exclusion of other discourses, forms of social enterprises and relevant actors in the field.

Another important factor which emerged is given by the increased dependency on government funding, which from the oppositional actors' perspective in general is seen as a bad side of the SEPA. Top-down actors reacted to this

criticism by stating that government subsidies for employment decrease every year during the three years of support time in which they are provided to Social Enterprises. For example, in order to reduce the financial dependency of Social Enterprises on government funding, the amount of employment subsidies to a Social Enterprise decreases year by year: 60% in the first year, 50% in the second year and 30% + 20% (incentives) in the third year. Nonetheless, oppositional actors still argue that the policy of subsidized employment assigns more social obligations to social enterprises. In other words, a Social Enterprise has to employ at least one vulnerable beneficiary in order to be able to receive employment subsidies. However, the Social Enterprise does not only pay wages, but it also has to invest on the education and management for the extra employment. In addition to these obligations, the Social Enterprise cannot dismiss or replace an underperforming employee which has been hired through these government subsidies. In short, given these reasons, government subsidies for employment are not always good for Social Enterprises with a view towards business efficiency.

After the SEPA, the MoEL and the in-group opposition actors shared mostly the same viewpoint on Social Enterprises and on promotion policies for social entrepreneurship. As a matter of fact, top-down actors took a favorable view to the enactment of the SEPA because it contributes to institutionalizing Social Enterprises, when other social actors in the field would like to do the same. Similarly, intermediary organizations, who became over time one of the top-down actors, consider the institutionalization of Social Enterprise as successful because Social Enterprise activities are legally protected and legitimated by the law. Yet, intermediary organizations do not fully agree with the policy directions of the SEPA which focus on increasing the number of certified Social Enterprises. According to them, one of the negative effects of the SEPA is reflected in the existing ecosystem of social enterprise which is being ruined due to an inveterate result-oriented tendency, obsessed with producing quantitative outcomes.

7.5 Interactions between Actors in the Institution-building Project

The confusion over the meaning of social enterprise obliged actors to interact with each other. In this section, I will illustrate when and how oppositional actors reacted and challenged the official discourse with a series of arguments during the first phase of the institution-building project between 2005 and 2007 and the second phase between 2008 and 2010. As mentioned in the previous section, the CSSSED had different objectives, strategies and understandings of social enterprise, which are manifested throughout their own discourses. Conflicts over the institutional setting of social enterprises occurred when the CSSSED and the top-down actors interacted with each other in order to achieve a shared understanding over the institutional arrangement (Beckert 1999; Levy and Scully 2007).

7.5.1 First Phase: 2005-2007

The active interactions between top-down and bottom-up actors started when the Ministry of Employment and Labor (MoEL) organized the Social Enterprise Promotion Act (SEPA) Task Force Team as part of the legislation process in March 2005. As a reaction to the top-down legislative actions, work-related civil organizations established the "Council of Social Work and Social Enterprise Civil Society Organizations" in August 2008 to collect and deliver the opinions of civil society to the Task Force Team. In June 2006, they changed the name to the "Civil Society Solidarity for Social Enterprise Development (CSSSED)." During the initial institutionalization process of the SEPA, the CSSSED was the only actor who was against the legislation and the contents of the SEPA.

Table 7-4 shows when and how top-down and bottom-up actors interacted with each other with regard to the establishment of the SEPA. In 2005, the government began to prepare for the enactment of the SEPA which provides business start-up with opportunities directly for poor people and with support for their activities. Meanwhile, civil society has reacted to the implementation of the

government's policy. As a matter of fact, in August 2005, about nineteen civil society organizations, some of them which were now certified social enterprises, established the Council of Social Work and Social Enterprise Civil Society Organizations and discussed the limitations of the legislative bills of the SEPA. Later, in March 2006, the Council submitted a report on the limitations and the problems of the SEPA to the National Assembly. Moreover, in April of the same year, they indicated their position in relation to the SEPA in a public hearing organized by the National Assembly. In May 2006, the council resolved to establish solidarity in the name of the Civil Society Solidarity for Social Enterprise, which embraces social entrepreneurial activities. This new group changed its name to the Civil Society Solidarity for Social Enterprise Development (CSSSED) and urged the government to establish an act that fitted the social atmosphere in Korea at that time and helped develop social enterprise. Despite the reactions of the civil society organizations, the government carried out their legislation as planned and the CSSSED changed its name again to the Solidarity for Korean Social Economy (SKSE) in June 2008.

Table 7-4 The Timeline of the SEPA and Civil Society's Reaction in the First Phase (2005-2007)

(Revised Table Provided by Moon (2007))

Government	Civil Society
March. 2005. The "social work" task force team was established. August. 2005. The Grand National Party prepared for the legislation of the SEPA.	August. 2005. The Council of Social Work and Social Enterprise Civil Society Organizations was established.
December. 2005. The Grand National Party proposed a legislative bill for the "Establishment and Promotion of Social Enterprise."	-
March. 2006. The Our Open Party proposed a legislative bill for the "Support Social Enterprise."	March. 2006. A report about the problems of the SEPA was submitted to the National Assembly.
April. 2006. The National Assembly, held a public hearing on the legislative bills of the "Establishment and Promotion of Social Enterprise" and the "Support Social Enterprise."	April. 2006. The Civil Society's position was indicated in a public hearing of the National Assembly.
May. 2006. The MoL implemented follow-up projects to prepare for the Act.	May. 2006. A meeting was held between the heads of the relevant organizations.
-	June. 2006. The CSSSED was launched.
-	August. 2006. The CSSSED urged to establish an act that fits the current Korean society situation and can develop social enterprise.
December. 2006. The SEPA was established.	-
April. 2007. An enforcement ordinance on the SEPA was promulgated.	-
-	June. 2008. The name was changed to the Solidarity for Korean Social Economy.

7.5.2 Second Phase: 2008-2010

Between 2008 and 2009, the government interacted with other actors from the social entrepreneurship field by organizing advisory meetings and policy forums. During these meetings, oppositional actors presented the limitations of the SEPA and a proposal for policy changes in relation to social enterprise. As a reaction to the criticisms which had emerged from civil society, the government organized public hearings on the SEPA in May and July 2008. In November 2008, the government announced a five years' policy plan to promote social enterprises based on the comments and opinions collected from multiple actors at meetings, public hearings and policy forums. In February 2009, the CSSSED changed its name to the Solidarity Council of Social Economy in order to emphasize the fact that they are promoting a social economy discourse. In March 2009, the Solidarity Council of Social Economy organized a policy workshop on the SEPA for its member organizations to increase their understanding of government policies and to react to top-down actions.

As a result of these interactions with other actors, the government found the need to investigate field-level problems in the field of social entrepreneurship and social services. In May 2009, the Prime Minister's Office organized several field investigation teams along with the Task Force Team on Employment and Social Safety Net in July 2009. After this, in September 2009, the Prime Minister's Office officially invited organizations which were related to social services and social entrepreneurship to submit their opinions on the related policies. Table 7-3 shows the timeline of when and how top-down and bottom-up actors interacted with each other regarding the amendment of the SEPA.

Table 7-5 The Timeline of the SEPA and Civil Society's Reaction in the Second Phase (2008-2010)

(Compiled by the Researcher based on Collected Data Sources)

Government	Civil Society
2008-2009. Advisory meetings and policy forums with researchers, civil activists, and practitioners from the field.	2008. The limitations of the SEPA and a proposal for policy change on social enterprise at advisory meetings and policy forums were presented.
May and July 2008. Public hearings on the SEPA were organized. November 2008. The 5 years' policy plan for promoting social enterprises was announced.	-
-	February 2009. The Solidarity Council of Social Economy was established March 2009. The CSSSED organized a policy workshop on the SEPA for its member organizations.
May 2009. Field investigation teams consisting of officers from the Prime Minister's Office were organized. July 2009. The Task Force Team on Employment and Social Safety net was organized. September 2009. Organizations related to social services and social enterprises were asked to submit opinions on social services policies.	-

7.5.3 Institutional Outcomes

As soon as these different actors had positioned themselves with their various discourses, they started to interact with each other in order to maintain or change the institutionalized setting. As a result, the SEPA has been revised nine times so far, and among them the definition of social enterprise has been changed twice in 2010 and 2012. Although the arguments made by the CSSSED on the initial institutional

setting of social enterprise have not been fully reflected in the legislation process, their constant critical remarks on the SEPA and attempts to include their own discourses into the existing institutional setting have managed to achieve institutional changes.

More specifically, the changes in the institutional meaning of social enterprise in the SEPA entailed changes of the institutional settings. For example, on 9th December 2010, the definition of social enterprise has been legally changed by including the local development discourse as part of the institutionalized meaning of social enterprise (Article 5-2). As a result, the community development model, which contributes to the local community by using local resources to employ local vulnerable social groups and providing social services to them, has been added in 2010 as a certifiable model of social enterprise. Following this change of definition, the regional governments were able to organize their own programs to promote social enterprise activities in their regions and local communities (Article 10-2). In addition to this, the Korea Social Enterprise Promotion Agency (KOSEA) – a government affiliated organization that bridges between policy makers and social entrepreneurs in practice- was established on the basis of the revised SEPA (Article 20).

Another example of institutional change is given by the fact that social cooperatives as a legal organizational form may now apply for a social enterprise certification as a result of the amendment of the SEPA on 1st February 2012. In order to include social cooperatives as a type of social enterprise, the Ministry of Public Administration and Security established the "Framework Act on Cooperatives" which defines the concept of social cooperatives and the details of the supporting policies in 2012.

7.6 Strategies of Actors

7.6.1 Discursive Strategies

7.6.1.1 Out-group Oppositional Actors

The CSSSED reacted to the top-down meaning making process of social enterprise by *invoking* overseas cases, *endorsing* a social economy discourse that embraces other discourses based on their historical activities in the field. Throughout this process, they also *challenged* the official discourse by claiming a lack of cooperative governance, which is the key characteristic of social enterprise as it was initially developed in the field.

Invoking overseas cases: Workers' cooperatives in Spain and Italy

The discourse of workers' cooperatives has been introduced to local actors who were involved in the urban poverty movement in the 1980s. The main actors in the urban poverty movement adopted the "Community Organization theory" developed by Saul Alinsky and Paulo Freire. These community organization movements were started by religious organizations in order to develop poor communities in the 1960s. However, these community organization movements were threatened by the militant government. As a matter of fact, political pressures from the government forced actors to consider political democracy and political development in Korean society. The main target of the religious groups involved in the urban poverty movement was the working class.

In the 1990s, local actors who tried to elaborate on the concept and on the definition of Korean social enterprise relied on the cooperative discourse adopted in overseas cases, such as Mondragon from Spain and Social Cooperative Law in Italy. Although similar organizational forms of social enterprise, such as cooperatives, already existed in the history of South Korea, both top-down and bottom-up actors agreed on the fact that the term "social enterprise" has been imported from other countries. Alternatively stated, the concept of social enterprise was elaborated thanks

to the translation of overseas concepts and examples of social enterprise (Creed, Scully, and Austin 2002) into the Korean context.

As a matter of fact, the International Forum on Social Enterprise in 2000, which is the first official and international event on overseas cases of social enterprises and on the conceptualization of social enterprises in the Korean context, took an important role in spreading the term and concept of social enterprise. Many Korean researchers and civil activists heard of the terms social enterprise and social economy during this event for the first time. Consequently, they soon started to study the definition and concept by focusing on overseas cases. For example, some researchers and activists formed a private study group on social enterprise in order to apply the concept to the Korean context. Moreover, the Work Together Foundation, which is an NGO, which was started with people's donations during the financial crisis in 1996, sent researchers overseas to visit actual social cooperatives, mainly in Europe.

Endorsing the social economy discourse

The "Civil Society Solidarity for Social Enterprise Development (CSSSED)" is one of the main bottom-up actors based in civil society who has been challenging the official discourse of social enterprise by promoting their own discourses. The discourses promoted by the CSSSED are not completely opposite to the official discourse but they overlap and are regarded as oppositional discourses (Karim 1993). More specifically, the CSSSED promotes local development, cooperative and social economy discourses against the official discourse. The discourse on local development highlights the core objectives and the role of social enterprises, which is to develop an economically and socially sustainable local community. A cooperative discourse of social enterprise emphasizes the implementation of the principles of cooperative governance into the official meaning of social enterprise. A social economy discourse of social enterprise also focuses on social entrepreneurship activities as part of the social economy, rather than of the market economy.

Challenge the institutional meaning and setting of Social Enterprises

Not only the meaning of social enterprise, but also the institutional setting that generates social entrepreneurship activities has been criticized due to the lack of inclusion of existing logics in the field. From the CSSSED perspective, the initial institution-building process of social enterprise was too fast and did not involve much interaction with local actors. For bottom-up actors who had already adopted and carried out social entrepreneurship in the local communities, even before the institutionalization of the concept, social enterprise was a new organizational form based on community spirit and solidarity in civil society. However, the SEPA was structured too quickly based on overseas cases, without taking into account the political, social and historical contexts and the relationships between different actors in the field.

The CSSSED and MoEL perceived the importance of previous organizational forms of social enterprises differently because the MoEL focused on the outcome and on the efficiency of institutionalizing a new organizational form, while the CSSSED focused on the value and the meanings which are embedded. Besides these considerations, the MoEL was closer to another group of civil society, the Working Together Foundation, and any member of the CSSSED which had not participated in the SEPA Task Force Team from the beginning. This shows that the relationship between the MoEL and the two different leading groups in civil society was complicated and that actors do not share the same opinion on the topic.

7.6.1.2 In-group Oppositional Actors

Endorsing the official discourse

Intermediary organizations endorsed the official discourse of Social Enterprise by claiming that it is based on social consensus. Accordingly, the official discourse is the dominant discourse that legitimates their social entrepreneurship activities, as highlighted in Chapters Six and Seven. By endorsing the official discourse of Social Enterprise that contains the institutional meaning and setting of

Social Enterprise, intermediary organizations were included as an in-group of the top-down actors. As a result, intermediary organizations empowered themselves to be closer and more influential in comparison to powerful top-down actors who can lead institutional building and changing processes.

Challenging cooperative discourse

Intermediary organizations challenged the cooperative discourse especially at the beginning of the SEPA legislation process. They claimed that the workers' cooperative model is too idealistic and that it cannot be achieved in practice in the Korean context. Second, they believed that having a cooperative governance will make the decision-making process inefficient (considering that an "enterprise" has to be efficient and profit-oriented). Third, cooperative governance does not fit a social enterprise as an incorporated company. Lastly, receiving government subsidies to hire employees is necessary and helpful when running a business, rather than realizing the cooperative discourse into practice.

Reconciling discourses by promoting possibilities to include other discourses into the official discourse

Although these organizations challenged the cooperative discourse at the beginning of the legalization of the SEPA, they soon tried to achieve a balance between top-down and bottom-up actors as intermediaries. Given the role of intermediary organizations, they had to communicate with both top-down and field-level social entrepreneurs and facilitate the conversations between different actors. Throughout this process, on the behalf of top-down actors, they promoted further possibilities to include other discourses into the official discourse for other actors, in order to influence out-group actors to consider the possibility of being integrated into the SEPA.

7.6.2 Practical Strategies

7.6.2.1 Out-group Oppositional Actors

Establishing social enterprises in practice before the SEPA

Community organizers based on mostly religious groups tried to organize groups of working class people. They believed that working class people can be empowered by organizing political groups among them in order to express their voices and to participate in political activities. However, reality revealed itself to be harsher when they went to the field – namely the poor urban areas. Organizing political working class people was not easy because the top priority of working poor people was not political empowerment, but economic empowerment. For them, earning money and living everyday with that income was the top priority so they had no space to think deeply about the political empowerment. In the meanwhile, a pastor Heo, Byung-sub had established a construction workers' community "*Gun-chuk-il-kun-du-re* (construction workers' community)" which provided work opportunities to workers without involving middlemen. This workers' community is considered to be one of first workers' cooperative in South Korea that started to organize workers' groups based on their "work" and economic activities in 1988 (Park 1990).

Later on in the 1990s, a BBC documentary of a worker's cooperative "Mondragon (Spain)" was introduced in South Korea by a consumer cooperative "Hansalim." A group of people who watched this documentary established the first worker's cooperative in South Korea in 1993 called "Thread and Needles." This sewing workers' cooperative was established according to the articles of the cooperative by a group of sewing workers (Jung 1993). The case of "Thread and Needles" spread all over the country as an example of overcoming poverty by workers who were already in poverty. This example has been discussed by newspapers, magazines, broadcastings and it affected other workers who established similar workers' cooperatives in various communities. However, at that time, there

was no legal status of "workers' cooperative" so most of these organizations were established as incorporations according to the Commercial Law.

Establishing an independent research institute and network with local social entrepreneurs

Bottom-up actors who promoted oppositional discourses expressed their disagreement on the SEPA by establishing the CSSSED. Their main disagreement on the SEPA was given by the fact that they believed that the institutionalized meaning of Social Enterprise according to the law is insufficient with regard to the inclusion of the value and philosophy of social enterprise, as discussed previously. As a matter of fact, the CSSSED changed its name several times between 2006 and 2012. In June 2008, the CSSSED changed the name to the Solidarity for Korean Social Economy and in February 2009, another change was made to the Solidarity Council of Social Economy in 2012 in order to react to the establishment of the Social Economy Act.

7.6.2.2 In-group Oppositional Actors

Conforming (self-adjustment) with powerful actors

Intermediary organizations who deliver government policies on social enterprise have mixed identities as top-down and bottom-up actors. Intermediary organizations used to be NGOs or foundations based on civil society. For example, the interviewees working in an intermediary organization mention that their organizations came from the cooperative and self-sufficiency movement. In other words, these intermediaries share the identity and the history of cooperative and self-sufficiency movements with independent civil movement actors.

However, they have now become intermediary organizations who deliver government policies with government funding in order to be considered as an "in-group" actor in the institutional field mainly designed and led by the government. Interviewees mention the following:

"*Being an intermediary organization is important because we can easily submit policy recommendations. In this position, we can make an actual change in the policy area. (CS6, CEO, O Intermediary, 12 June 2014, 10:07AM-11:30AM)*"

The acquisition of positional gains means that these organizations can gain more power to speak out to policy makers. The possibility of their opinions being accepted has increased and for this reason they can achieve more stable financial resources. Intermediary organizations do not need to be certified Social Enterprises, and they basically support the certification process in the region where they are located and where they deliver various ad-hoc decisions and policies of the MoEL, so that they do not make any financial profits. Intermediaries are usually former NGOs working closely with local organizations, such as social enterprises struggling with financial sustainability. When they partner with local NGO-like organizations, they have to generate some profits by developing their own projects or by charging membership fees. However, when they are selected as intermediary organizations, the government pays for the personnel which is responsible for the certification process. Other administrative fees are also covered by public funding. Obviously, they have more opportunities to be accepted by the dominant actor, which is the government.

However, during this process of being an in-group actor in the institutional field of social enterprise, intermediaries admit that they were distanced from the practical field, so they did not listen to the voice of civil society especially when the enactment of the SEPA was discussed in the SEPA task force team. This gave people the impression that the institutional process of the SEPA was solely led by the government, although intermediaries themselves participated in the process as a representative of the civil society.

Although intermediary organizations positioned themselves as a bridge that connects the government, social entrepreneurs and civil society by communicating with all the actors in the field, other actors who are based on civil society criticize them for taking the social enterprise initiative out of the civil society while having a closer relationship with the government and following funding opportunities but neglecting what a social enterprise truly is.

7.7 Conclusion

This Chapter concludes that bottom-up actors chose different strategies to influence the institutional changes, even though they share the basic viewpoints and backgrounds. Intermediary organizations empowered themselves by being intra-institutional entrepreneurs who challenged existing institutions by mobilizing insiders and outsiders and who established networks and resources Schneiberg and Lounsbury (2008). Their main strategies were *compromised* to the existing institutional rules – the SEPA. As Oliver (1991) found, organizations use *balancing* tactics under conflicting institutional demands. Under the top-down pressures to create Social Enterprises which fitted the given definition in the SEPA, intermediary organizations tried to *balance* between top-down and field level actors, *conforming* with the expectations of top-down actors, and also *bargaining* with top-down actors to adopt the local development discourse in the SEPA.

Out-group oppositional actors remained in their position as extra-institutional entrepreneurs who mobilized alternative resources and networks in order to achieve institutional changes (Schneiberg and Lounsbury 2008). They also took a more active form of resistance against the SEPA. Their strategies can be summarized to *manipulation,* as they tried to *influence* top-down actors to change their viewpoint on social enterprise by promoting the cooperative discourse. They were able to take an active form of resistance because of their accumulated experiences of creating actual organizations in the field. Out-group oppositional actors such as member organizations of the CSSSED were also able to raise issues about the limitations of the SEPA, which narrowed down the definition and scope of activities of social entrepreneurship. Because they were considered as nascent actors who from the start 1) initiated the need to promote social entrepreneurship aimed at the inclusion of poor and socially vulnerable people; 2) introduced the concept and the overseas cases of social enterprises to Korean society; and 3) established actual social enterprises in practice in order to prove that social entrepreneurship activities can contribute to solving economic and social problems which local communities face. In short, proving that their discourses are true by presenting historically accumulated activities is important especially for actors who are not integrated into the institutional field.

Although oppositional actors are divided into different groups because their interests in the institution-building project are not the same, nevertheless they all take important and influential positions in this project. In some instances, they actually worked as institutional entrepreneurs who actively influence institutional building or change processes. As a result, the scope of definition of certified social enterprise has changed over time in South Korea, while local actors discursively pushed their own discourses in order to build a shared understanding over social enterprise. The findings also show that having a conflict between different actors who have different institutional logics can be a positive way to trigger change (Romanelli 1991).

8 Emergence of Alternative Discourses of Social Enterprise

8.1 Introduction

"*If we are good at our work and if we are able to produce successful and influential cases, other actors naturally follow us and want to learn our way of doing business. That's why I have not been actively interested in interacting with other actors which seem to be located at the opposite spectrum of social entrepreneurship. It has been more than 5 years since the SEPA was established. So now people know that the SEPA model is not the best model to achieve both social and economic objective, as a social enterprise is supposed to do. I can actually see the phenomena that people started to communicate to each other and learn from each other's cases. And they always contact me first to know and learn our business management skills and strategies. (EJ0, CEO, C Investment, 2 June 2014, 10:35AM-12:00PM)*"

Despite the strong policy implementation for Social Enterprises, alternative discourses which are not in line with the official discourse of social enterprise (Karim 1993) have emerged. These alternative discourses initially emerged in 2006 when the concept of Social Enterprise was about to be institutionalized. Although alternative and oppositional discourses officially developed as a reaction to the SEPA in 2006, the relationships between actors promoting each discourse are different one from the other.

In this chapter, first, I will identify social innovation and entrepreneurship discourses as alternative discourses of social enterprise. Second, I will analyze social innovation and entrepreneurship discourses based on their criticisms of the institutional meaning and setting of social enterprise. This analysis on the contents of the debate will focus on how the certification system led to conflicts over the meaning of social enterprise with those actors who were promoting alternative discourses. Third, I will present how alternative actors tried to interact with top-down actors in order to carry out changes of the meaning of Social Enterprise in the SEPA. Lastly, I will outline the empowerment of alternative actors in relation to the strategies of alternative actors – which differed from other discourses by

emphasizing social innovation, proving their ability to make profit and choosing alternative certifications.

8.2 Emergence of Alternative Discourses

Each actor reacts to institutional pressures by means of different strategies given that they have different interests (Oliver 1991). Actors promoting alternative discourses reacted to the SEPA by inventing alternative names of social enterprise, such as "*social venture*" and "*social innovation enterprise*." The analysis of my results shows that they had invented the term "social venture" and "social innovation enterprise" for two main reasons. First, they wanted to avoid the penalty for using the name of social enterprise despite being uncertified social enterprises. Second, they wanted to differentiate the social enterprises they were running from certified Social Enterprises. During the interviews, all the interviewees in the social venture sector mentioned that:

"*We are different from certified Social Enterprises.*"

This statement is the key to examining how alternative actors interact or disconnect with other actors and how they developed their strategies to promote their own understanding of social enterprise. As Oliver (1991) identified, dismissing or ignoring is an active strategy to react to institutional pressures. By analyzing alternative discourses compared to dominant and oppositional discourses, I will conclude this Chapter by showing how alternative actors dismissed other discourses strategically but endorsed social innovation and entrepreneurship discourses in order to extend their power as their discourses were dramatically conflicting to each other.

8.2.1 Social Venture and Social Innovation Enterprise

Given these considerations, who are the actors promoting alternative discourses and how did they develop the alternative term "social venture" and "social

innovation enterprise" as a reaction to the SEPA? Three groups of actors used the name of social venture or social innovation enterprise, instead of Social Enterprise.

The Social Enterprise Network (SEN) Korea established in 2006 is the organization that first held the "Social Venture Competition for University Students" in South Korea. The SEN and the Social Venture Competition influenced the broad acceptance of the concept of "social venture" in South Korea. The deputy director of the SEN initially learned about social entrepreneurship in the United States in 2003. He mainly adopted the US oriented concept of social enterprise when he visited the Social Enterprise Competition, a Social Venture Competition organized by the Columbia University in 2003. Following this, based on the partnership with the Social Enterprise International Network and Columbia University, the SEN Korea organized the Korean version of the Social Venture Competition in 2005.

The six criteria for the best social venture idea of the competition shows what was considered to be the defining features of a social venture (Korea Social Enterprise Promotion Agency 2013c). The six criteria are: 1) financial, social or environmental value proposition; 2) market opportunities (why this idea is needed and why this idea has not worked in the market); 3) market solution; 4) target customers; 5) members of management team; and 6) financial and social impacts. Taking a closer look, these criteria of social ventures are actually different from the certification criteria provided by the SEPA. While the SEPA emphasizes the role of Social Enterprises providing work opportunities and social services to vulnerable social groups, the SEN emphasizes the clarifying motivations of the business and the need to be realistic in terms of running a financially sustainable enterprise.

Interviewees who are working in the business sector while pursuing certain social objectives mentioned that they are:

> "*influenced by the SEN which was the first organization they have met when they were seeking to know more about social enterprise. (EJ0, CEO, C Investment, 2 June 2014, 14:07PM-16:23PM)*"

Most interviewees who answered that they were influenced by the SEN, are working in the traditional business sector, such as finance and consultancy rather

than the social services sector. Examples such as crowd funding and social finance organizations are included in this group of actors.

Second, some supporting organizations established by NGOs or private companies also use the term "social venture" or "social innovation enterprise." The Hope Institute, for example, established the Social Innovation Centre in 2006 and since then they have organized a supporting program for the social venturing activities of university students (The Hope Institute 2006). These activities were mainly initiated by Park, Won-soon who is the current mayor of the Seoul Metropolitan City, and the former founding member of the Hope Institute. He is a well-known civil activist who introduced overseas social enterprise activities mainly from the UK, US and other European countries. He also established the Beautiful Store, which is considered to be one of first Social Enterprises in South Korea. The Beautiful Store established the "Social Enterprise Support Center" and launched the "Beautiful Fellowship" that supports the activities of social innovators who are running a social innovation enterprise since 2011 (Beautiful Store 2014).

Third, overseas organizations that have a Korean office, such as the Ashoka Foundation, also do not use the term social enterprise. Instead, they use the untranslated term "social entrepreneurs" and "social enterprise" in English, rather than using the translated term "social entrepreneurs (*Sa-hoe-jeok-gi-eop-ga*)" and "social enterprise (*Sa-hoe-jeok-gi-eop*)" (Ashoka Korea 2015b). Although the Ashoka International uses the term social entrepreneurship, social enterprise and social entrepreneurs freely, Ashoka Korea cannot because it may create misunderstandings if they use the word "social enterprise (*Sa-hoe-jeok-gi-eop*)" in the Korean language. As mentioned in the previous Chapters, only certified Social Enterprises can call themselves a Social Enterprise, otherwise they may get fined. Moreover, the official concept of Social Enterprise provided by the government is much different from the meaning of social enterprise that Ashoka is promoting. For Ashoka Korea, being a social enterprise refers to an organization that can make meaningful social changes and solve field level social problems, such as inequality and lack of empathy (Ashoka Korea 2015b).

Ashoka Korea has a high-level reputation in Korean Society because it is well-known that Ashoka is one of first foundations who used the term "social entrepreneurship" and "social entrepreneurs" in the world. Accordingly, the

establishment of the Korean office influences other actors to accept the concept of social enterprise. The number of applications for the Ashoka Fellowship is increasing and some other organizations are borrowing the concept of the fellowship program and social enterprise, as introduced by Ashoka Korea.

8.3 Brief Background of Social Venture in South Korea

The "Social Venture Competition" organized by the Social Enterprise Network (SEN) in 2005 is the first event that introduced the concept of social innovation. The SEN Korea was established thanks to nine business schools, the Korea Development Institute (KDI), the Ark Investment and the Working Together Foundation in 2005 (Social Enterprise Network Korea 2015). The SEN mainly adopted the term of social enterprise from the United States, as they clearly mentioned that they organized the SEN and "Social Venture Competition" based on the partnership with the Social Enterprise International Network and Columbia University.

From their perspective, the term "social enterprise" is often explained with the term "blended value" according to the US approach. Social enterprise is defined as an organization that "pursues blended value returns that may embrace the subjugation of a certain amount of financial returns or take on added risk in pursuit of social and/or environmental value creation" (Emerson, Bonini, and Brehm 2004: 20). Here, blended value "posits that value is generated from the combined interplay between the component parts of economic, social and environmental performance" (Emerson, Bonini, and Brehm 2004: 15). Blended value tackles the traditional views on value according to which for-profit organizations create only economic value and non-profit organizations create only social value, based on the argument that value is non-divisible. In this report, the definition of social entrepreneur is also clarified: "an individual who uses earned income strategies to pursue social objectives, simultaneously seeking both a financial and social/environmental return on investment" (Emerson, Bonini, and Brehm 2004: 20). Authors of the report admitted that it is not a broad definition of social entrepreneurship but emphasizes a for-profit

objective of social enterprise that creates surplus revenue which can be in turn reinvested into relevant social entrepreneurship activities.

From my data, the SEN Korea and other social entrepreneurs that run social ventures stated repeatedly that they are mainly influenced by the concept of "blended value." As a result of the US influence, social venture is defined as:

an organization which solves social problems that governments and/or the third sector organizations have failed to solve, through innovative business activities.

During the process of doing business, social ventures are expected to produce a certain amount of financial returns that can maintain their business and contribute to further activities. Financial sustainability is therefore considered to be important to enable social ventures to conduct their social activities.

To be a certified Social Enterprise, an organization has to have a clear social objective that contributes to employment, social services, and/or local development problems (Ministry of Employment Labor 2006). In the meanwhile, the social objectives of social ventures can be represented by any social problem which is yet unsolved or those which have not been perceived as social problems. Therefore, the target groups of certified Social Enterprises are limited to vulnerable social groups, while social ventures may target any group of society and also the whole society. Perceiving or finding social problems can be a part of the innovation process for social ventures. On the contrary, a certified Social Enterprise does not necessarily need to be innovative in its way of doing business. Conventional business and industries, such as bakeries, restaurants, manufacturing, and health care services, can also be certified Social Enterprises if they provide work opportunities and/or social services to vulnerable social groups. However, social ventures emphasize the innovative side of social enterprise more prominently.

Because social ventures consider achieving financial sustainability to be more important, they prefer to be independent from government subsidies. They believe that business will be dependent on the government subsidies and controlled by the government if they receive government subsidies. This tendency not to prefer to receive government subsidies is also related to having a certain level of flexibility and efficiency in their business activities. Given that the certification system has been criticized for too much paperwork that lowers efficiency in terms of time and

work of social entrepreneurs, social ventures often avoid the extra work given by the government to focus on their main work – business. Therefore, most social ventures prefer to obtain investments from conventional or angel investors who invest in social businesses.

8.4 Social Innovation and Entrepreneurship Discourses as Alternative Discourse of Social Enterprise

In the previous Section 8.2.1., three groups of actors who are using the alternative terms of Social Enterprise – social venture and social innovation enterprise- were identified. However, there is no agreed official definition of social venture and social innovation enterprise even among these alternative actors. In other words, although some groups of actors share the alternative terms of Social Enterprise, the details of each organizational form can be different. Here again, the government intervention in the social entrepreneurship field not only by means of the SEPA, but also given the attempts to integrate social ventures under their definition, has resulted in confusion and struggles. As Reinecke, Manning, and Von Hagen (2012) emphasized, the certification system which attempts to integrate various organizational forms into the single standard externalized the unexpected multiplicity of the meaning and organizational forms. For example, an interviewee who has been working in a few of the social venture incubating organizations asked me when I introduced the term "social venture" during the interview:

> "*What kind of organizations are you talking about when you use the term "social venture"? Are you talking about the movement of young people, social enterprise in general, or potential certified Social Enterprises? People define social venture so differently. For example, some people define social ventures as social enterprises in a broad concept, which aim to achieve social value regardless of having a Social Enterprise certification. Or, others think that social venture is a movement of young people who want to contribute to solving social problems through social entrepreneurial activities. And there are more varieties of definitions of social ventures. Everyone views social ventures differently. (DS8, Director, A SV, 20 May 2014, 09:41AM-10:46AM)*"

Indeed, the term "social venture" was being used in a broader way, comprising various types of social entrepreneurial activities besides certified Social Enterprises. During my analysis, I found that alternative discourses of Social Enterprise can be divided into two discourses: social innovation and entrepreneurship discourses. While the first group of actors emphasizes the idea of making organizations financially sustainable, the second group of actors emphasizes the sustaining motivation of individual entrepreneurs. This does not mean that keeping entrepreneurs' motivation and performance high is not important for the first group. However, the priority in terms of the importance of sustaining organizations differs between the two groups of actors even though they promote alternative discourses of social enterprise against the dominant discourse. For this reason, I have identified the first group of actors as actors promoting social innovation discourse, while the second group of actors is given by those promoting entrepreneurship discourse.

8.4.1 Social Innovation Discourse

In the Korean context, actors using the term "social venture" and "social innovation enterprise" emphasize the fact that a social enterprise should be innovative. According to them, a social enterprise has to invent a new or innovative way of doing business that can solve any kind of social problem, not only those related to employment and social services. From this perspective, a social enterprise can drive social changes, system changes or even market changes against traditional society, systems or markets. During this process of solving social problems, an innovative way of doing business needs to be invented and used in order to achieve the business's objectives. For this reason, for this thesis, an alternative discourse emphasizes social innovation as a core characteristic of social enterprise and has been identified as "social innovation discourse."

8.4.2 Entrepreneurship Discourse

Another characteristic that alternative actors consider to be important is given by the abilities of the social entrepreneurs that develop the innovative social business idea to establish and manage a socially and financially sustainable social enterprise. From this perspective, social entrepreneurs can be detected and related to the social enterprise domain through private social entrepreneur support programs, such as the Ashoka Fellowship, the Beautiful Fellowship or other social investment programs. As a matter of fact, the social entrepreneur support programs of private organizations usually seek social enterprise initiatives with innovative, ethical or ecological characters, which can hardly meet the criteria of certified social enterprises.

An example among these is given by the Beautiful Fellowship which supports "Socially Innovative Entrepreneurs" who aim at solving social problems in the field of environment, human rights, education, culture and social communities thanks to innovative social ideas (Beautiful Store 2014). In the case of the Ashoka Fellowship, support is provided to social entrepreneurs who present five characteristics of new ideas which aim at changing society: creativity, entrepreneurship, social impact of business idea and ethics (Ashoka Korea 2015a). Compared to the government and to big companies, these private fellowships do not think about how much profit a social enterprise can make in a limited amount of time, or how many employees it may take on, but they focus instead on single social entrepreneurs who have the ability to develop and realize innovative ideas with the potential to change society.

Besides the Ashoka Korea and Beautiful Store, social finance companies also consider the abilities of social entrepreneurs to be the most important criteria to focus on. They accept a capitalist way of doing business which aims for a social enterprise to be competitive enough to survive in the traditional market. They do not target vulnerable social groups as their only target groups. Instead, they do business in the market just as other (traditional) companies do and they believe that they can accomplish changes in a better way by being recognized and accepted by the traditional market. In short, they aim to achieve financial success and sustainability first. Crowd funding, sharing economy and consultancy companies are examples of those who promote the entrepreneurial discourse of social enterprise.

8.5 Conflicts between Actors Promoting Alternative and Official Discourses

Actors discursively struggle when power relations are fixed in the institutional-field (Van Dijk 1997). More specifically, actors claim dominant discourses by pushing their own meanings in order to negotiate the institutional meaning (Van Dijk 2008). In the Korean social entrepreneurship field, alternative actors as outside actors of the institutional filed claimed the limitations of the dominant discourses – the SEPA- and promoted their own discourses as the original meaning of social entrepreneurship. In this section, I will analyze social innovation and entrepreneurship discourses based on their criticisms of the institutional meaning and setting of Social Enterprise in the SEPA. The analysis on the contents of debate will outline how the certification system led to conflicts on the meaning of social enterprise with actors promoting alternative discourses.

8.5.1 Contents of Debate on the SEPA

At the beginning of the institution-building project of Social Enterprise, actors who were promoting alternative discourses actively participated in raising issues and creating a shared understanding over the concept of social enterprise. As a result, the government developed policies to promote social venture activities, such as the "Social Venture Competition" in 2008 and the "Young Social Entrepreneur Promotion Project" in 2011. However, because the term social venture has been adopted in policy in a different manner from the definition discussed by social entrepreneurs in the field, groups of actors promoting social innovation and entrepreneurship discourses have taken a distance from the certification or from the possibility of being part of the institutionalized meaning of Social Enterprise.

Table 8-1 shows how the different groups of actors promoting alternative discourses are for or against the SEPA. All actors including independent social entrepreneurs and civil organizations supporting social venture activities agree with the fact that the certification system can increase public awareness on social

enterprise and can improve public confidence for social enterprises. However, actors promoting alternative discourses are fundamentally against the SEPA for a number of reasons, as discussed below.

Table 8-1 Comparison between the Positive and Negative Elements of the SEPA

	In favor of the SEPA	Against the SEPA
Independent social entrepreneurs	Business ideas that can solve fundamental problems	The certification system took the place of social entrepreneurship
	Promotion of cooperatives Institutions do not always provide the best way	Doing business to get resources from the government
		Marginalization of the word SOCIAL
Civil organizations	Certification has a positive image for the public. Certification will help social enterprises to work in the public market and in local communities.	Giving subsidies for employment
		The government's control over the market and the ecosystem
		Development of a law with no underlying philosophy and no understanding of field level problems
		Paperwork is a waste of time
		Result oriented activities
		SE ecosystem has been ruined by the introduction of subsidies

The first key criticism of the SEPA is given by the fact that the certification system limits the scope of social enterprises. Here, one big question is raised – "*What is social? Or what does being 'social' mean?*" Because the meaning of 'social' is too limited in the SEPA, the scope of social entrepreneurial activities also becomes too limited. For instance, top-down actors define "social" as providing social welfare services to people who have been excluded by society. However, according to this limited meaning of social enterprise, other uncertified social enterprises are bound to

be neglected and excluded from the standard organizational form of social enterprise. As a matter of fact, EC1, who introduced the concept of social venture into Korean society in 2005, claimed that the scope of the meaning of "social" is too limited in the SEPA, as follows:

> "*We and the top-down actors, mainly the MoEL, understand social enterprise very differently. Providing work opportunities and social services to vulnerable social groups through social enterprises is not a bad thing at all. However, defining social enterprises as part of the social services industry is not a good thing. Excluding those uncertified social enterprises who do not fit the criteria of the Social Enterprise certification from the official meaning of social enterprise is bad. In this sense, the Social Enterprise Promotion Act should have been called the Social Services Promotion Act. (EC1, Deputy Director, D SV, 13 May 2014)*"

Second, the SEPA has been contested due to its policies aimed at promoting social enterprises. Once the MoEL certifies a Social Enterprise, this organization can apply for government subsidies to hire professionals and/or vulnerable social groups. The subsidies provided by the MoEL depend on the size of the business and of the employment force belonging to vulnerable social groups for a maximum of five years. The subsidies for employment which are included in this case are represented by the minimum wage for an employee and 9.33% of four major public insurances that have to be paid by employers. Social Enterprises receiving government subsidies are screened by the KOSEA (Korea Social Enterprise promotion Agency) every year to see if employees have actually worked and have been paid according to the SEPA regulations. The KOSEA and MoEL can either stop or continue subsidizing a Social Enterprise for further years depending on the employment and ethic status of an organization (Ministry of Employment and Labor 2006).

Besides the subsidies for employment, the MoEL also provides subsidies for business development to support Social Enterprises with regard to product or service branding, R&D, market expansion and marketing. The subsidies for business development can be provided for a maximum of three years and amount to approximately £ 70,000 (100 million Won) per year (Korea Social Enterprise Promotion Agency 2016). In the case of both subsidies for employment and business development, the amount of subsidies decreases every year in order to prevent Social

Enterprises from becoming solely dependent on government subsidies. After one year of subsidies for business development, for the second year a Social Enterprise bears 20% of the subsidies and 30% of the subsidies in the third year. Similarly, the rate of employment subsidies decreases every year from 100% to 70% in the second year and to 60% in the third year (Korea Social Enterprise Promotion Agency 2016).

The argument from the actors promoting alternative discourses is that receiving government subsidies for employment and business development is not a sustainable way of managing the social entrepreneurship field and social enterprise businesses from a long-term perspective. First, a benefit of receiving government subsidies is represented by the fact that it can attract people who are not interested in social entrepreneurship but only in the funding. Therefore, some people who are running out of money or are in financial difficulties to sustain their business can disguise themselves as social enterprises in order to obtain government subsidies. In this way, people who disguise themselves as social enterprises would financially benefit from this situations, while actual potential beneficiaries may lose the opportunity of receiving subsidies to solve social issues. Also, if the number of disguised social enterprise increases, this will also affect the good image of social enterprises contributing to solving social problems.

Second, there is a high possibility that the employees who are hired with government subsidies get fired when the financial support ceases after the three-year support period. The government provides these subsidies under the condition according to which a Social Enterprise needs to hire a new employee which has been defined as vulnerable by the law. Because the amount of money for employment decreases every year and the subsidies are fully withdrawn after the three years of benefit, there is a substantial concern that new vulnerable people hired with the government subsidies could be fired when the government no longer provides support after three years.

The argument based on this concern and on the *conditions of possibility* goes as follows: the SEPA, which is supposed to be an employment policy, is ironically dismissing employees who have been initially hired with the SEPA legal framework. Although Social Enterprises employ vulnerable people with the government subsidies, their employment is not guaranteed after the three years of government support. Thus, the SEPA as an employment policy is not a sustainable way to

provide long-term work opportunities to vulnerable people and to include them into society.

Third, the social innovative discourse related actors also contest the SEPA due to its bureaucratic control over the market and the ecosystem of social entrepreneurship. Once a Social Enterprise has been certified, it has to submit financial, social and employment status documents regularly every year. In this annual report, a Social Enterprise has to include the social and economic outcomes they have achieved, the financial sheets and information on the use of government subsidies. A *condition of possibility* is that the paperwork takes a long time and distracts social entrepreneurs from their work and this extra work could decrease the productivity of Social Enterprises. This is true especially because most Social Enterprises lack the work force and the financial resources and the extra paper work imposed by the law can represent a big burden for a social entrepreneur who is solely managing the whole business.

Not only is this extra work for social entrepreneurs, but the market and the ecosystem of the social entrepreneurship field can be destroyed following government intervention. Social entrepreneurs, who are promoting social innovation and entrepreneurship discourses, believe that social enterprises have to survive from competition against conventional enterprises in a dominant free market system. From a social innovative perspective, if a social enterprise cannot survive in a conventional free market system, they are not able to change the traditional views of business which accordingly contributes only to economic development. Therefore, although they acknowledge the existence and the need for governments to financially and managerially support Social Enterprises, they do not agree that all social enterprises have to be certified and carry out their market activities in limited boundaries, providing work opportunities and social services which are then restricted by the government. EJ0 also added:

> "*I do not think that the certification is not important. However, the certification can limit the scope of business activities. I agree that the role of social services enterprises (certified Social Enterprise) is also very important for our society. But, not every social enterprise has to be a social service enterprise. In short, the certification frames the social objectives of a social enterprise which are supposed to be developed by social entrepreneurs themselves. (EJ0, CEO, C Investment, 2 June 2014, 10:35AM-12:00PM)*"

Table 8-2 Alternative Discourses Emerged in 2006

Element of discourses	Alternative discourse
Object	Social enterprise, such as social ventures and venture philanthropy
Key concepts Influence the meaning	Achieving financial sustainability and independency in the market by itself (no need for financial subsidies from the government) Business activities also have to be innovative (e.g. distribution) Any kind of social objective can be included Replicable to any social/economic context – globalization A certification system is not always necessary
Key subject positions	The government can support social enterprises to promote work opportunities and social services but not social innovation in the traditional market NGOs do not have business management skills – capacity
Conditions of possibility	Making sustainable financial outcomes and social changes regardless of the SEPA

The groups of actors promoting alternative discourses with social venture activities position themselves on the opposite side of certified Social Enterprises. As a matter of fact, as mentioned by DH7, they are different from people who get a Social Enterprise certification by emphasizing that they have the ability and the business skills to generate profits that can make their organizations sustainable:

> "*We are different from them (Certified Social Enterprises). We make returns on investment. This means that we are not dependent on subsidies, but we are independently making our business financially sustainable. Being financially sustainable is important for social ventures, because by doing so you can continue your business activities to achieve social objectives.* (DH7, CEO, Z SV, 18 June 2014, 11:06AM-12:17PM)"

Table 8-3 summarizes how certified Social Enterprises and social ventures are different one from another based on the contents of the debate on the SEPA. First, the social objectives of certified Social Enterprises are limited to providing work

opportunities and social services to vulnerable social groups. By doing so, they are expected to contribute to the development of local communities. Meanwhile, the aims of social ventures include any kind of social problems that have failed to be solved. For this reason, target groups are also very different from vulnerable social groups and from any kind of social groups, as explained by EC1:

> "*Certified Social Enterprises and our definition of social entrepreneurship are as different as medicine and pharmacy. Integrating marginalized people into the labor market is their (government) agenda. We, instead, aim to achieve social changes by means of social innovation. (EC1, Deputy Director, D SV, 13 May 2014)*"

Second, the economic objectives of certified Social Enterprises are also limited in comparison to social ventures. Certified Social Enterprises aim to generate profit through their business activities, just as social ventures do. However, the minimum expectation for certified Social Enterprises is to pay workers stable wages and to invest the surplus, if there is any, in other social purpose activities. Social ventures aim to maximize their profit through their business activities and to invest the surplus in other social innovative business activities if a social entrepreneur wants to. DH7 supported this argument, as follows:

> "*When people ask me why I am doing this business; I reply that I am doing it to make profit. We do not work based on an NGO mind-set. We are an enterprise which aims to maximize the profit. We support social innovation by adopting a business mind-set. (DH7, CEO, Z SV, 18 June 2014, 11:06AM-12:17PM)*"

Third, the ways of doing business do not need to be new and innovative for certified Social Enterprises. For example, conventional bakeries, cafes or restaurants can be certified Social Enterprises if they fit the criteria of the SEPA certification. On the contrary, a social venture has to be innovative in its way of dealing with field-level social problems, as mentioned by EC1:

> "*Providing work opportunities and social services can reduce the pains which people (beneficiaries) are struggling with. However, this does not mean that these activities can solve fundamental social problems. Social entrepreneurship means*

making social changes through innovation (EC1, Deputy Director, D SV, 13 May 2014)"

Fourth, most certified Social Enterprises receive government subsidies for employment and business development. They are also willing to receive other kinds of funding from the government or from private companies or from the support programs of foundations which can be used for any purpose. On the other hand, social ventures refuse to receive government subsidies especially from the MoEL. Instead, they are willing to accept government funding from other departments, from angel investors and from private finance institutions that do not fully control or investigate all the business activities.

Lastly, the concept and the activities of certified Social Enterprises are influenced by European cases, such as social cooperatives and self-sufficiency, while social ventures are based on a US influence and on similar concepts such as CSR, blended value and social innovation.

Table 8-3 Comparison of Certified Social Enterprises and Social Ventures

	Certified Social Enterprise	Social Venture
Social objective	Employment, social services, and local development	Any kind of social problems
Economic objective	Developing a business which is profitable enough to pay wages and invest surplus in other social purpose activities	Developing a business as profitable as possible and investing the surplus in other social innovative business activities
Way of doing business	Conventional and innovative	Innovative
Target groups	Vulnerable social groups	Society (any group)
Financial resources	Government subsidies, loans, funding from the government or private companies' support programs	Investment, loans, funding from the government or private companies' support programs (except from the MoEL)
Solution to social problems	Business; economic, social, and political change	Business
Similar concepts	Social cooperative, self-sufficiency	CSR, blended value, social innovation
Overseas influence	Europe	United States

8.5.2 Interactions between Actors

8.5.2.1 First Phase: 2005 - 2009

The idea of social venture appeared at a very similar moment when the concept of social enterprise was introduced at the beginning of the 2000s. Whereas the initial introduction of the concept of social enterprise was mainly inspired by European experiences, another approach based on the American experiences of innovative initiatives supported by foundations was engaged in the formation of the

concept of social enterprise related to the SEPA. This approach is more focused on the innovative aspects of solving social problems and tried to distance itself from other concepts of social enterprise. Table 8-4 summarizes the activities of the actors promoting alternative discourses as presented in Section 8.5.3.

Table 8-4 First Phase of the Movement to Promote Alternative Discourses

<table>
<tr><th></th><th>Social Enterprise Network (SEN)</th><th>Other Actors</th></tr>
<tr><td rowspan="3">2005</td><td>1st Social Venture Competition organized (Every Year)</td><td rowspan="3"></td></tr>
<tr><td>Supported the organization of university student study groups on social entrepreneurship</td></tr>
<tr><td>Organized teachers groups on social entrepreneurship</td></tr>
<tr><td>2006</td><td rowspan="3">Continued activities</td><td>Social Innovation Centre established by the Hope Institute (NGO)</td></tr>
<tr><td>2007</td><td>-</td></tr>
<tr><td>2008</td><td>Sopoong (SOcial POwer Of Networked Group) was established</td></tr>
<tr><td>2009</td><td>1st Social Venture Competition organized within the partnership with the SEN and MoEL
Young Social Entrepreneurs' Promotion Project</td><td></td></tr>
</table>

8.5.3 Government Reaction and Outcomes

Although the government did not include alternative discourses in the official meaning of social enterprise, it attempted to embed social innovative and entrepreneurship discourses within social enterprise promotion policies. Unlike the institutional outcomes which derived from the inclusion of oppositional discourses within the institutional meaning of social enterprise after the interactions and the conflicts between actors in the field, social innovation and entrepreneurship

discourses have not been officially included within the institutional meaning of social enterprise. Instead, the government created specific programs to promote social venture activities. However, in these cases the definition of social venture is different from that of the perspective of actors who are promoting alternative discourses.

More specifically, the MoEL defined social ventures and social innovation enterprises as organizations which are in the stage of the business idea development or at the beginning of the business which was established less than two years. The official definition that appears on the KOSEA website is as follows: a social venture is "*a business which is more creative and innovative compared to social enterprises, but which does not necessarily meet the criteria of certified social enterprises*" (Korea Social Enterprise Promotion Agency 2011). A social venture or a social innovation enterprise is considered to be an organization that has the potential to become a certified Social Enterprise in a few years' time, if the government supports their activities financially and managerially. In another words, the government uses the term social venture and social innovation enterprise as a to-be certified Social Enterprise that does not fit the certification criteria yet.

Although the MoEL narrowed the definition of alternative organizational forms of social enterprise down, the use of the alternative term in their policies and the development of promotion policies for social ventures and social innovation enterprise show that the government also has an interest in the alternatives. For example, the term "social innovation" does not appear in any legal documents related to Social Enterprises, however, it appears on the website of the Korean Social Enterprise Agency (KOSEA), the government agency that delivers social enterprise policies which are funded by the Ministry of Employment and Labor (MoEL). Moreover, the government has organized the "Social Venture Competition" within the partnership with the SEN in 2009 and the "Young Social Entrepreneurs' Promotion Project" organized by the MoEL in 2011 (Korea Social Enterprise Promotion Agency 2013c, 2015b).

More specifically, the government organized the "Social Ventures Competition" in 2009 but at that time this was planned to be a temporary event. Therefore, the institutionalization of the programs began later in 2011 with the "Young Social Entrepreneurs' Promotion Project", which represents the first incubation program for start-ups led by young social entrepreneurs. This project was

motivated by the criticisms received from the actors who were promoting alternative discourses which argued that 1) the SEPA had limited the meaning of "social" to "social services"; and 2) that the government subsidies were not helping to build a sustainable ecosystem of social enterprises that can be more creative and independent. Another social issue of new emergence, the constantly decreasing youth employment rate, influenced the MoEL to include young people as another group of actors and beneficiaries of the SEPA.

Only teams with a minimum of three members, and with at least half of them aged from 19 to 39, could apply for the "Young Social Entrepreneurs' Promotion Project" until 2012. Although this age rule was abolished in 2013, most participants of these projects are still less than 40 years old (Korea Social Enterprise Promotion Agency 2015b). The teams supported by the "Young Social Entrepreneurs' Promotion Project" are mostly at the seed stage, seeking opportunities to begin operations, or they are at the start-up stage of an established business, which has been running for less than one year (Korea Social Enterprise Promotion Agency 2015b). Although there are no statistics on starting or continuing a business after the one-year government financial support offered through the "Young Social Entrepreneurs' Promotion Project", social ventures for the youth can be considered as social enterprises because only teams with an innovative social business model aiming at solving social problems are selected as beneficiaries of the project. According to the Korea Social Enterprise Promotion Agency (2015b), team members should have a social entrepreneurship mind-set (30 points), the business model should pursue social venture creation (30 points), the business model should have a creative and innovative idea (20 points), and the business idea should be feasible (20 points). The selection criteria of the beneficiaries have relatively clear economic and entrepreneurial, social and participatory governance indicators.

When a social venture is selected as a beneficiary from either the "Social Venture Competition" or the "Young Social Entrepreneurs' Promotion Project", they can receive government support in many ways for the maximum of one year. According to the Korea Social Enterprise Promotion Agency (2015b), first, the selected beneficiaries can use free office spaces in the cities they are based in. Second, the government provides a readiness fund for those social ventures who won a prize from the Social Venture Competition and that they can use for business

development. Third, they also can benefit from regular consulting services from the social enterprise incubation centers. All of these processes are delivered by intermediary agencies which have been selected and funded by the MoEL. Also, the activities and the outcomes of the beneficiaries are regularly reported to the KoSEA and MoEL.

It is definitely positive that the government, who is the most powerful actor in the institutional field of social entrepreneurship in Korea, is interested in alternative social enterprise activities and actively supports them. However, the effort of the government towards promoting social venture activities is focused more on the purpose of including them as certified Social Enterprises which can be freely managed and controlled based on the SEPA. One interviewee who took part in the Young Social Entrepreneurs' Promotion Project confirmed this point, as follows:

> "*The intermediary organizations and consultants that we meet regularly always try to push us towards having a certification. That is the only purpose of their social venture support programs. They regularly ask us to report our activities and they want to know when we will be ready to apply for the certification. (EJ5, CEO, H SV, 17 May 2014, 10:35AM-12:00PM)*"

8.6 Conflicts with Actors Promoting Oppositional Discourses

8.6.1 Contents of Debate on Oppositional Discourses

For actors promoting alternative discourses, self-sufficient enterprises and cooperatives are closer to NGOs and not to "enterprises." In other words, groups of social entrepreneurs promoting alternative discourses do not fully reject or contest the idea of other types of social enterprises, such as self-sufficient enterprises or cooperatives. Basically, they agree with the idea of the empowerment of vulnerable and local people through employment and cooperative activities, as mentioned by EC1:

> "*I am not saying that the idea of social services business or cooperatives is wrong. Establishing the legal framework for cooperatives is good in terms of bringing them*

into the institutional field. The problem is putting cooperatives, certified Social Enterprises and social innovative enterprises into a single sector. (EC1, Deputy Director, D SV, 13 May 2014)"

The understandings of alternative actors on oppositional discourses are almost the same as in the case of official and dominant discourses. More specifically, they claim that other types of organizations are not financially sustainable, or are dependent on government subsidies, and that they have no experience of generating financial outcomes before they start social enterprise activities. From the perspective of alternative actors, these limitations make the identity of other types of social enterprise appear weak. According to them, actors promoting oppositional discourses are trying too hard to obtain government support, including subsidies, and that is not understandable. From this perspective, the organizations who already had obtained or who were going to achieve a Social Enterprise certification are viewed as government subsidy chasers, rather than social enterprises aiming to achieve social objectives by making enough profit to run a business.

The view of the oppositional actors is different from that of the alternative actors. According to actors promoting oppositional discourses, the government took over the term "social enterprise" initiated by bottom-up actors, even before the enactment of the SEPA. Although they also noticed that there are some organizations chasing the government subsidies, their basic position is that a de-institutionalization is almost impossible especially in the Korean context once the government institutionalizes anything. The difficulties of de-institutionalization led them to be actively involved in institutional interactions and encouraged people to join the institutional field of social entrepreneurship by obtaining a certification and government support. In this way, the number of organizations that can support their institutional power can increase, as I highlighted in Chapters Six and Seven.

On the other hand, the actors of alternative discourses are not interested in increasing their institutional power within the boundaries of the certification. For example, although they refused to receive government subsidies from the MoEL, some social ventures have received governmental financial support from other ministries, such as the Ministry of Science and Technology and the Ministry of

Education. According to a social entrepreneur who received funding from another ministry:

> "*Other ministries are not restricting the scope, the types of organization and the business. We, who are running social ventures, see the problems of a certification system that limits the scope of the business activities of Social Enterprises. Therefore, we are searching for incubation support from other policies promoting entrepreneurship. (EH2, Director, E SV, 19 June 2014, 14:29PM-15:45PM)*"

8.6.2 Contents of Debate on Alternative Discourses

While social ventures exclude other oppositional discourses of social enterprises, other actors promoting oppositional discourses are also not included in the concept of social venture. One interviewee based in an organization promoting a social economy discourse mentioned:

> "*I do not know what they are doing. And I also do not understand why they call themselves promoters of social entrepreneurship. (DH3, Researcher, V University, 11 July 2014, 10:15AM-12:20PM)*"

One key theme of the different understandings on social entrepreneurship and social ventures is given by the view of social enterprise as a social movement. Bottom-up actors promoting oppositional discourses have a long history of movements empowering people through employment. According to them, social entrepreneurship is part of a social movement which is also a way of empowering themselves to be included in society and of promoting their ideologies to be accepted by other actors. In this understanding of social entrepreneurship, being innovative and maximizing profit are not priorities. Instead, convincing other actors to understand the background of their movement and their activities is much more important to enable their ideologies to become one of the major (powerful) ideologies accepted by society. In this way, actors and their movements are legitimated and become powerful enough to influence other actors to change their mind set, which can in turn produce long-term and positive social changes.

Therefore, the actors promoting oppositional discourses do not include social ventures as a part of the social movement through social entrepreneurship. Instead, they consider social ventures as a new way of doing business that attracts mostly young people who are impressed by "*new, fancy and cool*" business ideas. Therefore, there are no apparent interactions between the actors who are promoting oppositional and alternative discourses. Each group of actors considers the other group of actors who are promoting different discourses to be on the complete opposite paradigm of social entrepreneurship. Yet, oppositional actors are not happy with the lack of interactions with alternative actors. One of the interviewees remarked:

> "*Young people who are running social ventures have received the social and economic benefits achieved by the previous generation. But they do not appreciate the effort of the previous generation and they are arrogant. (CE0, Deputy Director, J Intermediary, 20 May 2014, 15:30PM-17:40PM)*"

For those actors promoting oppositional discourses, alternative discourses are sometimes too extreme. The social innovation, as suggested by some actors who promote an entrepreneurship discourse, emphasizes the fact that social innovation means changes of the system. For example, during the interview, one of the interviewees working at a social venture support organization explained the definition of social innovation with an example of lack of empathy.

> "*Lack of empathy in society can influence people's biases of the opposite gender and of different races; appearance is a chronic problem which is ingrained in the social system. If a social entrepreneur could change the perception and behaviors of people who socially discriminate other people by educating them to respect and to be more tolerant of others, this can be considered as a social innovation. (EH2, Director, E SV, 19 June 2014, 14:29PM-15:45PM)*"

However, for actors promoting oppositional discourses, the idea and position of those alternative actors who are willing to overthrow the system are too extreme. Social entrepreneurship is an activity, a movement that compromises with an established market economy that can hardly be overthrown. Instead, social entrepreneurship is a movement searching for a way to contribute to empowering

people in the existing dominant system. From the perspective of those actors promoting oppositional discourses, social entrepreneurship lets them participate in the dominant market economy or in the institutional field that helps them to achieve a higher social position. Therefore, the institutionalization of social enterprise empowered those oppositional actors who used to be neglected or ignored and considered to be powerless actors in terms of lack of resources and of the informal/social right to speak to powerful actors in an institutional setting.

8.6.3 Institutional Outcomes

Alternative discourses are not included in the institutional meaning of social enterprise even in the current year (2016). Although now a social enterprise can be established as a small-medium enterprise according to the amendment of the Small-medium Enterprise Law, this change of legal organizational form is more the result of legal convenience, rather than for the inclusion of alternative discourses in the institutional meaning of Social Enterprise.

It is hard to say whether alternative discourses have been institutionalized, although the government has introduced policies to support social venture activities. The reason for this is that the term social venture has been adopted and interpreted differently from the government's perspective, as explained in the previous section 8.5. Nonetheless, the key terms of alternative discourses, such as innovation, entrepreneurship and social venture, have been continuously appearing on the KOSEA website since 2012.

Also, top-down actors mentioned that alternative forms of social enterprise, such as social ventures and social innovation enterprises, have been included in the broad concept of social enterprise. They also agree that the diversity of organizational forms and of discourses of social enterprise will contribute to making the field livelier.

However, bottom-up actors promoting alternative discourses almost have lost their interest in the SEPA. Some of them have not had any interest at all, even at the beginning. When I asked the question about how they perceive the SEPA, and if there was any possibility of obtaining a certification, or how their organizations (social ventures) are different from certified Social Enterprises, during the interviews

the recurring expressions were "*I am not interested in the SEPA*", "*I don't know the definition of the certified Social Enterprise*", and "*I am not going to have financial support by being a certified Social Enterprise*." In short, unlike actors promoting oppositional discourses, actors promoting alternative discourses are not aiming to be accepted by top-down actors in the Korean social entrepreneurship field. The lack of effort and intention of alternative actors to be included in the institutional field of social entrepreneurship shows that not every actor is willing to be accepted by other powerful actors.

Furthermore, although the concept of social venture has gained a significant level of popularity, it seems that social venture is not sufficiently institutionalized both externally and internally. Interestingly, the participants of social venture support programs who were expected to gain a Social Enterprise certification do not have their own representative network. Moreover, there are no statistics on how many teams have been supported through competitions or projects and are still operating.

8.7 Strategies of Actors

8.7.1 Discursive Strategies

8.7.1.1 Endorse Discourse of Social Innovation

Two groups of actors promoting alternative discourses endorse social innovation in different ways. The first group of actors consists of individual social entrepreneurs. They endorse a social innovation discourse by claiming that they are financially independent and competitive on the market, unlike other social enterprises. The second group of actors is given by a group of civil organizations. This second group endorses a social innovation discourse by emphasizing that it introduces social systemic change. Both groups of actors claim that supporting social entrepreneurs to continue their activities and sustain their motivation helps keep the performance of a social venture at high levels.

8.7.1.2 Challenge Other Discourses by Claiming Financial or Social Unsustainability

Actors promoting alternative discourses challenge other discourses by claiming that they are unsustainable. While the first group of actors promoting social innovation discourse challenges other actors and organizations by claiming that they are financially unsustainable, the second group promoting entrepreneurship discourse considers other actors as socially unsustainable and naïve. Financial unsustainability means that organizations cannot make enough profit to maintain business. The first group that consider themselves to be social entrepreneurs have a good potential to produce the surplus from their business and can survive in the market, unlike other social enterprises. The second group emphasizes that their role in creating social change is what makes society more sustainable. However, from their perspective, social entrepreneurs with certified Social Enterprises who are satisfied with receiving external subsidies, and are running conventional (and not innovative) businesses are too naïve to make of social change a social enterprise.

8.7.1.3 Invoke Innovative Discourse from the US (B-corp and Ashoka)

Social ventures promoting innovative discourses are not interested in obtaining a certification from the MoEL. Instead, they are more interested in overseas certification systems, such as B-corps, or in government support from other departments, such as the Small Medium Business Administration (SMBA). This means that social ventures are resisting the official discourse of Social Enterprise presented by the MoEL which focuses on employment and social services.

Instead, both groups of actors promoting social innovative and entrepreneurial discourses invoke overseas cases mainly from the United States. The interviewees who are promoting innovative discourses mentioned that they have been strongly influenced by the Social Enterprise Network (SEN) Korea who first imported and introduced the concept of social enterprise from the US perspective. For example, B-corp is one of the well-known role models of social enterprises for independent social entrepreneurs promoting alternative discourses in South Korea.

After being a social venture, Delight obtained a B-corp certification. More specifically, the B-corp certification became a dream role model for social ventures. During the interviews, interviewees mentioned that having a certification like the B-corp is preferable to the SEPA certification. One of interviewees running a social investment organization confirms this, as follows:

> "*I am suggesting that social entrepreneurs should have a B-corp certification rather than the SEPA certification. The B-corp certification exhibits the global standard of being an innovative social enterprise which fits our definition of social enterprise. If a social enterprise has a B-corp certification, people believe that the organization is contributing to social innovation and change for real. (DH7, CEO, Z SV, 18 June 2014, 11:06AM-12:17PM)*"

Actors promoting an entrepreneurship discourse also invoke a US social entrepreneurship support organization, the Ashoka Foundation. The Ashoka foundation influenced the Korean field of social entrepreneurs from the beginning in 2007, because some innovative and successful cases of Ashoka fellows had been introduced through media and books. Especially after the book "How to Change the World (Bornstein 2007a)", containing successful stories of Ashoka fellows, was translated in 2008, the concept of social entrepreneurship promoted by the Ashoka Foundation became very popular in South Korea.

The example of the Beautiful Foundation developed by the social innovators' support programme shows that these have been influenced by the Ashoka Foundation. The framework for selecting social entrepreneurs (innovators) as fellows which are considered able to create social innovations that can change the social system and society is similar to the Ashoka's framework. Clearly, the promotion program that supports single social entrepreneurs to fully focus on running a social business organization is an innovative way of supporting social enterprises. Interestingly, Social Enterprise promotion programs which are mainly organized by the government mostly support organizational activities, and not the individual level of activities. In other words, although a (preliminary) Social Enterprise or social venture may have received any kind of government funding, they cannot use the

money to pay the social entrepreneurs themselves who developed the business idea and run the organization.

8.7.1.4 Being Indifferent

Some social entrepreneurs who are promoting social innovation and entrepreneurship discourses are contesting the official discourse given by the government by not doing anything or by not reacting to government policies. One of the recurring themes from the interviews with independent social entrepreneurs is that of being "*ignorant of the SEPA*." Interviewees kept emphasizing that they are not interested in the SEPA and in certified Social Enterprises. However, independent social entrepreneurs are not necessarily avoiding other actors who are promoting other discourses and they also are open to any kind of collaboration with other actors with regard to their business activities. Nevertheless, they cleared up their position on the SEPA, in that they are "*not interested in obtaining a certification and the government subsidies.*" Interviewees who are running social ventures without having a certification also mentioned that:

> "*I do not know much about Social Enterprises and about the SEPA. I think my organization is a social enterprise in a broad sense of aiming to achieve both economic and social objectives. However, I firmly do not want to limit the scope of meaning and the activities of my organization into the limited definition of Social Enterprise.* (DH7, CEO, Z SV, 18 June 2014, 11:06AM-12:17PM)"

Dismissal is one of the active strategies to resist institutional pressures (Oliver 1991). Individual social entrepreneurs who call their organizations social ventures resisted the Social Enterprise certification by *dismissing* the institutional rules and values provided by political authorities. With regard to this point, I have analyzed how a group of actors promoting social innovative and entrepreneurship discourses described other groups of actors in order to understand how they distinguish the ideologies of movements, as shown in Table 8-5 (Van Dijk 1995). As a result, big corporations, B-corp certification, and government departments supporting their activities (except the MoEL), are identified as in-group actors who

fully understand what a social venture stands for. Actors promoting alternative discourses described big corporations as *naïve*, and as organizations which were not trying hard enough to achieve their social missions. However, social ventures are interested in their resources and in the related social goals of breaking the conventional market rules that enabled both of them to work together. In short, they are willing to receive some financial resources from big corporations if it is possible.

Despite this point, they are strongly against obtaining the SEPA certification because 1) it limits the scope of their business objectives and activities (Standardization – cannot be innovative – which is the complete opposite to a social entrepreneur's mind set), 2) it controls and investigates all the business activities and decisions (therefore there is no freedom), 3) the image of certified Social Enterprises is negative in that it is considered as a business that works only for vulnerable social groups, as defined in the SEPA, and 4) it is not worth being in a network which does not share organizational objectives.

NGOs, Social Enterprises, cooperatives, and MoEL have been described as an out-group of social ventures. Social ventures do not consider NGOs as partners because they do not consider Social Enterprises as ventures; that means they are not taking risks from the challenges which emerge to start a new business. Instead, NGOs establish and support social entrepreneurship activities due to the running out of public funding. NGOs start social businesses to cover a deficit from their activities, not because they have found a social problem they want to solve through business activities or because they have developed an innovative social business idea to solve the social problems they are tackling. Also, at the same time, Social Enterprises established by NGOs are not profitable, an aspect which is a core economic objective that a social enterprise has to achieve, because they have no experience in business and management.

Similarly, certified Social Enterprises have been identified as an out-group of social ventures, which do not share the same ideologies. From the social venture perspective, Social Enterprises do not have the ability to make enough profits to sustain their business. Therefore, Social Enterprises are dependent on government funding in various ways, such as subsidies and procurement in the public market. From the social venture perspective, being dependent on external funding means that they are not profitable and sustainable as an "enterprise." Therefore, Social

Enterprises are often considered to be weak, unsustainable and not profitable in comparison to social ventures. However, ironically, there are not many social ventures that have financially succeeded with their social business idea. During the interviews, an individual social entrepreneur, DH7, mentioned that they are not making enough profit from their business activities as in the following:

> "*Social business is a long term business. I didn't expect that I could make profit from this business in three years. At least three years of time is needed to invest in this type of business. However, I am sure that our business will work someday. My team members and I are trying hard to make this come true. (DH7, CEO, Z SV, 18 June 2014, 11:06AM-12:17PM)*"

Cooperatives are also considered as an out-group of social venture, especially due to the governance. The core characteristic which characterizes cooperatives as such is given by the governance that allows each stakeholder to join the decision making process. However, from the social venture perspective, cooperative governance is not an efficient way to make quick decisions for real businesses.

The MoEL is also an out-group of social ventures. All of my interviewees working at social ventures made similar remarks, as follows:

> "*I am not interested in the SEPA and in any of Social Enterprise promotion policies and programs.*"

Most of the interviewees replied that they do not know anything about the SEPA and Social Enterprise promotion programs and that they are not going to receive any support from the MoEL in the future. This is because according to social ventures, Social Enterprises are creating social services, and not social innovations or social entrepreneurship, and the SEPA is a labor focused social welfare policy. Especially when social entrepreneurs had to invent the term "social venture" or "social innovative enterprise" due to the limited definition of Social Enterprises in the SEPA and the prohibition against the use of the name of Social Enterprise for uncertified social enterprises, the animosity towards the MoEL was huge. This animosity draws on the bureaucratic culture of the Korean government as well,

which is considered to be result and goal oriented and peremptory when the government promotes a policy.

Table 8-5 In-group and Out-group Identification of Alternative Actors

Identification	Group of Actors	Statements
In group actors	Big corporations	Opportunities to work together (resources and related goals – breaking the market rules) but, they are naïve And they are not achieving their social missions
	B-corp	Gives public confidence
	Government departments but not MoEL	Need for public confidence They are more than welcome
Out group actors	NGOs	They do not consider SEs as Ventures Their view has been changed They are not profitable
	Social Enterprises	Have to accept that they lack the ability to make profit They are dependent on government funding They are helping vulnerable and not profitable They are weak, unsustainable, and small
	Cooperatives	Different governance. Cooperative governance is not efficient for business.
	MoEL	Did not use the term innovation until 2013 Social ventures are not interested in the MoEL SE policies SEs are promoting social services, not social entrepreneurship SEPA is a labor and social welfare policy They are not interested in social entrepreneurship They are result and goal oriented They do not consider us as SEs They limit the SE activities

8.7.2 Practical Strategies

8.7.2.1 Not Being Actively Communicative with Other Actors but Focusing on Business

Actors promoting alternative discourses do not really interact with other actors promoting different discourses. They have no strong intention to communicate with top-down actors because they think that they are powerful enough to manage their business activities in terms of financial resources and managerial skills. Instead, they think that other actors have to try to learn from them to be effective, innovative and sustainable in doing business in order to achieve both economic and social objectives. Their strategies are basically keeping their business sustainable and showing other actors that their way of doing business can actually make social innovation and positive changes in the society which most social enterprises are willing to do. In this way, they have taken a higher position in the relationship between them and the other actors.

As a matter of fact, with regard to this point, an interviewer mentioned that the other actors in the field are interested in their business and in their collaboration because their business model actually works in the market, unlike Social Enterprises whose aim is to achieve economic objectives and to make sustainable profit:

> "*If we are good at our work and if we are able to produce successful and influential cases, other actors naturally follow us and want to learn our way of doing business. That's why I have not been actively interested in interacting with other actors which seem to be located at the opposite spectrum of social entrepreneurship. It has been more than 5 years since the SEPA was established. So now people know that the SEPA model is not the best model to achieve both social and economic objectives as a social enterprise is supposed to do. I can actually see the phenomena that people started to communicate to each other and learn from each other's cases. And they always contact me first to know and learn our business management skills and strategies. (EJ0, CEO, C Investment, 2 June 2014, 10:35AM-12:00PM)*"

Indeed, although they are not actively interacting with other actors, social innovative and entrepreneurial discourses are influential in many ways. Despite the

fact that they are not using the term “Social Enterprise”, they are perceived as a social enterprise that creates social innovation and sustainable financial outcomes. Whether they intended it or not, their behaviors are indifferent but influence other actors which become interested in their business and contact them first to learn their secret to business.

8.7.2.2 Selecting Alternative Standards for Legitimation

When political and strategic interests are conflicting, alternative standards may emerge (Reinecke, Manning, and Von Hagen 2012). In Korea, social ventures chose to have a B-corp certification provided by the B-corp foundation in the United States as an alternative. For example, the Delight is the first social venture which has been certified as a B-corp in Korea which aims and achieves both social and economic objectives in an innovative way. After the Delight received the B-corp certification, the reputation of the B-corp certification notably increased in South Korea. Many social ventures are aiming to achieve a B-corp certification, with the expectation that it will give them public confidence and a positive reputation in the field of social entrepreneurship.

Alternatively, social ventures are also willing to receive domestic certifications, except from the MoEL. They are willing to obtain government subsidies from other departments, such as the Ministry of Strategy and Finance (MoSF) and the Ministry of Education, Science and Technology (MEST). Unlike the MoEL with its mandatory certification, the MoSF and MEST have provided subsidies for start-ups that have innovative business idea and plans. For example, an interviewee mentioned:

> “*Getting subsidies from other government departments is more than welcome. This is because other departments do not put our business in a frame which has been developed to take advantage of our business. Instead, they understand that our business objectives and ideas are different and innovative. (ED3, CEO, F SV, 24 May 2014, 13:05PM-12:38PM)*”

Thus, social ventures also have acknowledged that receiving government subsidies may help to improve their public confidence and reputation. In other words, having alternative certifications, but not the SEPA, is one of their strategies to legitimate their discourses and organizations without being integrated into the dominant institutional field.

8.8 Conclusion

Alternative actors dismissed other discourses strategically while endorsing social innovation and entrepreneurship discourses in order to extend their power given that their discourses are dramatically conflicting towards one another. Because they are at the outside of the institutional field of social entrepreneurship, they had to find a way of legitimating their discourses and organizational forms. At the beginning of the institutional-building project, they tried to convince the government to adopt the concept of social innovation into government projects. Soon, they realized the foundations of their activities, understandings and objectives are far too different and refused to interact with each other.

Instead of actively communicating with other actors, they proved that social venture and social innovation enterprise actually exist by creating organizations, alternative names, selecting alternative certifications and by making profit as social 'enterprises.' Their emphasis on economic sustainability led them to acquire a higher position as successful enterprises.

The case of the alternative discourses of social enterprise provides a possibility of de-institutionalization of the SEPA. As in Rao and Kenney (2008), it is important to emphasize the fact that disconnection with other actors can influence de-institutionalization. This case also shows a possible way of re-institutionalizing social enterprise. Although alternative actors have not achieved the institutionalization of their own discourses now, the findings of this thesis lead to an expectation, or at least the possibility of, interactions between different actors. Despite a reduced number of successful cases of social ventures, some astonishing cases, such as the Delight, influenced people to think that they want to learn from social ventures, and to reflect on how to make a social enterprise more profitable

with an innovative idea of achieving social objectives. Increasing contacts from actors promoting other discourses will provide more opportunities to understand what each discourse of social enterprise actually means.

9 Discussion

9.1 Introduction

With this thesis I aimed to address the question "how do the interactions between top-down and bottom-up actors shape the emergence of social enterprise as a new organizational form in South Korea?" I addressed this question by considering that social enterprise as a new organizational form does not have a unified definition but is diverse and dynamic, although the government established the official definition of Social Enterprise under the SEPA. In order to reduce confusion between different meanings and organizational forms of social enterprise, I capitalized the first letters of certified social enterprise as "Social Enterprise" and set the first letter of uncertified social enterprise in lowercase letters throughout the entire thesis.

As the result of strong government interventions in promoting social entrepreneurship, many bottom-up social enterprises have been co-opted to serve the government agenda – providing employment and social services to the vulnerable social groups. Still, some bottom-up actors, who do not agree with the official government definition of Social Enterprise, confront the government as intra- or extra-institutional actors or create their own space apart from the institutional field of Social Enterprise. Therefore, the phenomenon of emergence of social enterprise as a new organizational form in South Korea is not static, but exists with varying degrees of co-optation of different actors into the institutionalized system as well as autonomous movements against the institutionalized meaning and setting of social enterprise.

In the Introduction Chapter, I outlined the limited meaning and organizational forms of Social Enterprises provided by the legalization of the SEPA, which had, however, stimulated conflicts between actors who interpret the concept of social enterprise differently. In Chapter Two, I reviewed previous research on the emergence of new organizations from both institutional and social movements perspectives. The integrated view of institutional and social movement theories allowed me to observe the social entrepreneurship field in Korea as an institutional field, which is constantly changing through ongoing interactions between dominant

and subordinate social actors.

After considering the discourses which shape the understandings and behaviors of actors, I proceeded to analyzing how actors compete against each other to be (or not be) involved in the institutional-building and changing processes of Social Enterprises by relying on macro discourse analysis. Macro discourse analysis was adopted in order to analyze the patterns of interactions between actors who are located in different social positions and promoting different discourses in the institutional field, as I introduced in Chapter Five.

The findings Chapters Six, Seven and Eight presented a multiple dataset which included information on various discourses of social enterprise, identified as official, dominant, oppositional and alternative discourses based on Karim (1993)'s discourse identification that analyzes the power relations of the actors involved. After this, I analyzed how each actor used their own discourses and strategies to be involved in the institution-building processes in order to expand their influences in the field. In this Discussion Chapter, I aim to revisit the literature of institutional entrepreneurship and social movement theories which I relied on in my theoretical framing of the study, with these findings in mind. I will specifically discuss how actors in different social positions have changed the power relations in the institution-building project of Social Enterprise in Korea by using their own discourses and strategies.

The Certification System Leads to Conflicts on the Meaning of Social Enterprise

The Social Enterprise certification system was the starting point of my thesis, given that it increased the confusion around the definition of social enterprise. According to Bidet and Eum (2015), the Social Enterprise certification system does not reflect the real diversity of the concept of Korean social enterprise existing in the field. Moreover, the multiple definitions, activities, and organizational forms of Korean social enterprise resulted in struggles over the meaning of social enterprises similarly to other countries in the world (Laville and Nyssens 2001; Mair and Marti 2006).

Unlike other countries, in South Korea, these struggles over the meaning of

social enterprise are more explicit under the institutional pressure on the definition and setting of social enterprise as an organizational form provided by the law the 'Social Enterprise Promotion Act (SEPA)' since 2006. As the SEPA is the center of contestations on the meaning of social enterprise, actors who are involved in developing a shared understanding of the meaning of social enterprise have been identified as top-down and bottom-up actors. Throughout the entire thesis, top-down actors are those who share the government approach that considers social enterprise as a concept which emerges from the formal legalization, the SEPA. Meanwhile, bottom-up actors are represented by those who partly or fully reject the governmental approach, but perceive social enterprises as independent and alternative organizations solving economic, social and political problems which the government and traditional businesses are incapable of solving. The identification of top-down and bottom-up actors and their discourses are provided in greater detail in Chapter Four.

Therefore, in this Discussion Chapter, I will discuss the conflicts between top-down and bottom-up actors in two different ways. First, the overall finding is that these conflicts are waged over the purposes of social entrepreneurial activities. Actors differentially define the purposes as policy instruments focused on unemployment and social welfare, on the empowerment of marginalized people, or on the changes of social norms by means of innovative ways of doing business. Second, it will be suggested that any conflicts over the definitions of social enterprise represent a resistance against institutional pressures on social entrepreneurship activities that are grassroots and independent.

The Empowerment of Field-level Actors to become Institutional Entrepreneurs

Given that the government dominated the general institutional field in South Korea through the legalization and provision of financial resources, bottom-up actors used to be neglected or ignored in terms of the lack of resources and an informal/social right to speak to top-down actors in an institutional setting. However, these actors were actually able to carry out institutional changes by introducing variations to the institutional meaning and setting of Social Enterprise in the SEPA. As a result, the definition of Social Enterprise under the SEPA has been changed in

2010 and 2012 by including cooperative and community development discourses. In this Section, I will discuss two different groups of bottom-up actors – intermediary organizations and the Civil Society Solidarity for Social Enterprise Development (CSSSED) – who empowered themselves by becoming intra-institutional actors or by remaining in the position of extra-institutional actors. Since they do not completely resist each other's discourse, I suggest that both of them co-influenced the institutional changes in the meaning and setting of Social Enterprise in the SEPA as well as emerging discussion on the meaning of social economy even though they did not interact closely with each other.

Alternative Discourses Provide the Possibility of De-institutionalization

Although some actors, who partly reject the official meaning of Social Enterprise, are actively involved in the institution-building project of Korean Social Enterprise, alternative actors, who fully reject other discourses, distance themselves from the other actors (Karim 1993). In this section, I will discuss that actors make a decision to be involved or not to be involved in the institution-building or changing project of Korean Social Enterprise based on their emphasis on economic or social sustainability of social enterprise. As the dominant top-down actors consider social sustainability as a first aim to be achieved by a social enterprise, alternative actors who place a greater emphasis on the economic sustainability of a social enterprise do not communicate with other actors but create their own space by inventing alternative terms to Social Enterprise – social venture and social innovation enterprise. In this section, I will discuss the emerging possibility of institutional changes or de-institutionalization influenced by alternative discourses and the practices which are fully against the dominant discourse of Social Enterprise that legitimized their existence externally to the institutional field.

9.2 The Certification System Leads to Conflicts on the Meaning of Social Enterprise

The Korean case of the institution-building process of Social Enterprises illustrates the presence of a variety of actors and of their own discourses which

enable active interactions with each other (Schneiberg and Lounsbury 2008). This variety of actors and discourses has led to the institution-building process dynamic in the process of promoting, accepting or rejecting the different discourses which have emerged. As a matter of fact, the presence of a variety of discourses and actors has made the field of social entrepreneurship in Korea much more diverse and dynamic. As I presented in the Finding Chapters, nine different discourses of Korean social enterprise have been identified: 1) work embedded social welfare discourse; 2) work-related; 3) welfare-related; 4) corporate social responsibility (CSR); 5) local development; 6) cooperative; 7) social economy; 8) social innovation; and 9) entrepreneurship discourses. These nine different discourses co-exist and are jointly constructed in the field of social entrepreneurship in Korea. This multiplicity of definitions of social enterprise in Korea shows that there is no single common definition of social enterprise, but a set of diverse definitions.

In order to capture the power dynamics between actors who promote more than one discourse of social enterprise in Korea, I categorized these nine discourses into four main discourses: 1) official; 2) dominant; 3) oppositional; and 4) alternative discourses using Karim (1993)'s discourse identification. The official discourse of social enterprise is composed of work embedded in social welfare, work-related, welfare-related, and CSR discourse. In addition, this official discourse of social enterprise became the dominant discourse very soon after the legalization the SEPA in 2006. Both official and dominant discourses are promoted by government institutions, big companies, certified social enterprises, and some intermediaries financed by the government. Oppositional discourses include local development, workers' cooperatives, and social economy discourses against the dominant discourse. They are mostly promoted by local NGOs who started social entrepreneurship activities even before the SEPA. Lastly, social innovation and entrepreneurship discourses of social enterprise are considered as alternative discourses promoted by private organizations such as the Social Enterprise Network (SEN) Korea, social finance organizations, overseas foundations and NGOs supporting innovative social entrepreneurial activities, and individual social entrepreneurs. These competing, but complementary interests of each actor enabled them to exchange their emphasis on understandings, and values of social enterprise which resulted in institutional changes.

However, this diversity goes hand-in-hand with a certain level of contestation around the meaning of social enterprise, and with the reasons why actors struggled against each other from the beginning of the institution-building process of social enterprises.

9.2.1 The Purpose of Social Entrepreneurial Activities

The conflicts over the meaning of social enterprise are given by the tensions in defining the purpose of social entrepreneurial activities. In Chapter One, I reviewed different definitions, origins and characteristics of social enterprises by country, ranging from non-profit and innovative approaches based on the hybrid objectives of social enterprises. While innovative approaches emphasize new ways of delivering social businesses (Defourny and Nyssens 2012), non-profit approaches emphasize the social missions of a social enterprise (Austin, Stevenson, and Wei‐Skillern 2006). In this Section, I discuss the various purposes of public policies for unemployment and social welfare, which empower socially and economically marginalized people, and change existing social norms through ways of doing business which rely on non-profit, policy and innovative approaches.

More specifically, in the Korean context, a non-profit approach to social enterprises means that the original motivations of the business are preserved relatively well in comparison to other approaches. Given that some bottom-up actors, such as the CSSSED, are nascent actors who actually invented the concept of social enterprise at the field-level where actual organizational forms are created in Korea, they have continuously emphasized the community spirit and social solidarity of social enterprises, as realities which can revive communities (Chapters Six & Seven). For these actors, social enterprise activities are driven by the purpose of including socially marginalized people in society, rather than providing public services. Therefore, unlike in the government policy approach, a non-profit approach perceives marginalized people as partners, and not as target beneficiaries (Chapter Seven).

Moving to the policy approach, previous research (Kerlin 2006; Defourny 2001; Defourny and Nyssens 2008; Teasdale 2012) found that policy makers and the

governmental institutions attempt to integrate field-level social enterprise practices into the service of the government. According to my findings, these attempts influenced the struggles over the meaning of social enterprises which became more explicit as top-down actors (policy-makers) provided a single standard of Social Enterprise, the SEPA. The purpose of Social Enterprise in the SEPA is to deliver public services to the vulnerable, an activity which is supposed to be fulfilled by the government. More specifically, the Ministry of Labor considered Social Enterprises as a social welfare services provider that can effectively deliver social welfare and employment policies at the same time (Chapter Six). The scope of the social objectives of a Social Enterprise has been limited to creating work opportunities and providing social services to the vulnerable, all of which were important policy issues in the 2000s (Chapter Six).

On the other hand, an innovative approach is distant from both the non-profit and the policy approaches. Some bottom-up actors promoting alternative discourses take into account the fact that a social enterprise can contribute to changing existing social norms by means of an innovative way of doing business. Accordingly, any kind of social objective that can produce positive social outcomes can be included under the umbrella of social enterprise activities (Chapter Eight). In other words, the meaning of 'being social' is not limited to the vulnerable, but includes the entire society and its members (Chapter Eight). For this reason, they consider the institutionalized term "Social Enterprise" to have marginalized the meaning of 'social', which is supposed to include any sort of social problem (Chapter Eight). Overall, given that their understandings and definitions of social enterprises do not fit the SEPA, they were not involved in the policy conversations with other top-down and bottom-up actors.

Researchers have attempted to define typologies of social enterprise based on the different approaches, due to the fact that these three different purposes are difficultly achieved by only one social enterprise at the same time (Alter 2004; Defourny and Nyssens 2010; Kerlin 2013). However, in Korea, the government tried to simplify the multiplicity of meanings and activities which go under the concept and to provide a single unified definition. As a result, the SEPA provides the standards of what social enterprise is. Regardless of the struggles on the meaning of social enterprise, based on its inherent multiplicity (Grassl 2012), other discourses

were only partly adopted in the SEPA. More specifically, from the policy approach, the inclusion of other discourses of social enterprise can be seen as a way of keeping power and dominance in the institutional field by satisfying the needs of other actors. For instance, government funding is an alternative source of finance to certified Social Enterprises and intermediary organizations. As I presented in Chapter Six, in order to get government funding for promoting Social Enterprise activities, a social enterprise has to meet all the criteria given by the certification system in the SEPA. In addition, a certified Social Enterprise has to maintain their social entrepreneurship activities of providing job opportunities and/or social services to vulnerable people as defined in the SEPA. In other words, the government keeps producing their favorable activities in policies using field-level networks and ideas by satisfying their need for financial resources.

9.2.2 Resistance Against Institutional Pressures

The competition between actors promoting their own discourses is not only confined to the meaning of social enterprise, but it also underpins the entire certification system. As the certification system is the official codification of the meaning of social enterprise, contestation over the SEPA is part of struggles over the meaning of social enterprise. However, in this Section, I will focus more on the certification system in relation to issues of transparency and legitimation of social enterprise activities. As a matter of fact, top-down actors legitimized the certification system by claiming that it provides evidence on the transparency of Social Enterprise activities. From the policy approach, this issue mostly goes into considerations by the government on the possible misuse of subsidies by social entrepreneurs. In order to prevent this and maintain transparency, the government established that the certification system needs to monitor Social Enterprise activities on a regular basis (Chapter Six).

Contrary to this position, bottom-up actors who have established and managed social enterprises, even before the introduction of the SEPA, claimed that not every social enterprise needs to be certified and funded by the government. Instead, they emphasized the need for a registration system of social enterprises that are not interested in the financial support but only in the legal background. From

their field-observations, there are social enterprises which survived in the market without government subsidies, but they lack the legal grounds to create a certain type of organizational form, such as worker's cooperatives and social enterprises, which delayed the legitimation of their existence (Chapter Six & Seven).

For these reasons, social entrepreneurs who already achieved the Social Enterprise certification claimed that the certification system is crucial to legitimize their existence. In relation to this issue, they stated: "*how do you know that other types of social enterprises actually exist when they are not institutionalized?*" (Chapter Six).

By contrast, for some actors, the SEPA certification is not the only option that can legitimize their organizations. Given that alternative standards have been developed in the context of conflicting political and strategic interests (Reinecke, Manning, and Von Hagen 2012), actors promoting alternative discourses of social enterprise chose to be recognized by an international standard, the B Corp Certification (Chapter Eight). Therefore, social entrepreneurs promoting alternative discourses can also prove their existence by 'doing' their organizational activities, and not only by 'thinking' (Orlikowski and Scott 2015). Unlike some certified Social Entrepreneurs who adjust their organizations to fit the certification criteria, uncertified social entrepreneurs invented new terms, such as social venture and social innovation enterprise to describe their organizations and activities better than the SEPA (Chapter Eight). In other words, they produced their own discourses based on their practices of creating social venture and social innovation enterprises that are independent from the government and from non-profit activities.

9.3 The Empowerment of Field-level Actors to be Institutional Entrepreneurs

Social movement theory has contributed to institutional research by identifying multiple actors and their different pathways that influence institutional changes (Fligstein and McAdam 2012; Thornton, Ocasio, and Lounsbury 2012; Schneiberg and Lounsbury 2008). Previous research found that not only powerful actors, but also powerless actors can make institutional changes by disrupting powerful institutions (Maguire and Hardy 2009; Zietsma and Lawrence 2010;

Furnari 2016). Nonetheless, previous research has oversimplified the role of powerless actors in institutional fields. Some studies investigated the role of extra- and intra-institutional actors in institutional changes by using the framework developed by Schneiberg and Lounsbury (2008). Furnari (2016) claims that institutional changes led by powerless actors who come from the outside of the field are likely to be radical, because dominant actors in the field would be de-legitimated. Carberry et al. (2017) found that powerless extra-institutional actors tend to more influential at the early stage of legitimation, but they become less influential when they change their position to intra-institutional actors. Still, the relationship between different powerless actors and the mechanisms of how powerless actors decide to be intra-institutional actors or stay as extra-institutional actors have not been fully studied.

In my thesis, I re-confirmed that seemingly powerless actors can also make institutional changes by pushing their own institutional logics which project their socially constructed knowledge and understanding in the field, as defined by Maguire and Hardy (2006). My thesis further investigated the two different strategies used by powerless actors to become institutional entrepreneurs who are influential in the field. In this Section, I will discuss why some oppositional actors choose to be intra-institutional actors, while others choose to be extra-institutional actors. Moreover, I will also discuss how different powerless actors do not always take the same position against the powerful actors and do not consider each other as in-group actors, although both are rooted in civil society which is autonomous from the state, voluntary, and self-generating at the same time (Diamond 1994).

9.3.1 Becoming Intra-institutional Actors

Some studies have found that the influences of extra-institutional actors can be less powerful when they become intra-institutional actors, as soon as the institutional field matures Carberry et al. (2017). However, my thesis found that institutional entrepreneurs are able to maintain their influences even after they become intra-institutional actors. The case of intermediary organizations in the social entrepreneurship field in South Korea shows how extra-institutional entrepreneurs can become intra-institutional entrepreneurs and how they maintained their

influences in the field by nurturing a good relationship with both top-down (powerful) and bottom-up (powerless) actors.

Intermediary organizations define themselves as civil society organizations but the government accepted their participation in the discussion on the institutional-building process of Social Enterprise from the beginning of the project (Chapter Seven). In the case of intermediary organizations in Korea, they tackled unemployment problems at the societal level prior to becoming intermediary organizations, but their main task was not limited to providing policy suggestions in operating Social Enterprise related policies (Chapter Seven).

In my thesis, intermediary organizations were identified as actors who chose to be intra-institutional actors who challenge existing institutions by mobilizing insiders and outsiders and established networks and resources, as identified in Schneiberg and Lounsbury (2008). First, intermediary organizations are able to find financial resources relatively easy, because the Ministry of Employment and Labor (MoEL) provides funding to operate the SEPA as well as to deliver field-level opinions to the government. Second, government funding makes intermediary organizations responsible for maintaining a strong partnership with both top-down and bottom-up actors as a channel to bridge policy makers and field-level social entrepreneurs. Third, intermediary organizations consider themselves as intra-institutional actors. Intermediary organizations perceive the government and big corporations as in-group actors, which they need to build a strong partnership with, to solve social warfare issues. They also define the government and big corporations as top-down actors who have financial resources and policy interests in promoting social entrepreneurship as the main actors leading the social entrepreneurship field in Korea. Fourth, nonetheless, intermediary organizations challenged the existing institutional meaning and setting of Social Enterprise which mostly reflects powerful actors' understandings on social entrepreneurship. Intermediary organizations criticized the government and big corporations on the basis of the idea that they do not fully understand the concept of social enterprise and are ruining the ecosystem of the field after the SEPA (Chapter Seven).

My thesis shows that some intra-institutional actors are able to sustain their influences on powerful actors in response to their demands to change the institutional settings. The case of the establishment of the Seoul Social Economy Center reflects

the ways in which intermediary organizations' intra-institutional movement accomplished institutional changes. As highlighted by Schneiberg and Lounsbury (2008), an intra-institutional movement arises as the fields have matured. According to them, an intra-institutional movement can emerge in order to not only directly contest existing institutions and taken-for-granted understandings, but also to chain existing institutional arrangements by theorizing, articulating and combining new projects. In this case, intermediary organizations noticed criticisms from the inside of the field according to which the SEPA is ruining the ecosystem by limiting the concept of Social Enterprise (Chapter Seven). Their effort to collect field-level opinions and communicate them to top-down actors represented a strong motivation to establish a new public private partnership organization – the Seoul Social Economy Centre – that can inclusively support different types of social enterprise activities, regardless of their organizational forms. The establishment process of the Seoul Social Economy Centre is considered as an intra-institutional movement, given that they have used existing networks of Social Enterprise, cooperative, community enterprise, and self-sufficiency enterprise and earmarked government funding (Schneiberg and Lounsbury 2008).

9.3.2 Staying as Extra-Institutional Actors

Furnari (2016) claims that institutional changes led by powerless actors who come from the outside of the field are likely to be radical, because dominant actors in the field are de-legitimated. My findings confirm that powerless actors, extra-institutional actors can led institutional changes. However, in my thesis, institutional changes led by powerless extra-institutional actors were not radical and dominant actors still sustain their legitimacy.

Unlike intermediary organizations, the CSSSED stayed as an extra-institutional actor whose focus lies on local problems, politics or characteristics (Schneiberg and Lounsbury 2008). In my thesis, the CSSSED was identified as extra-institutional actors. First, of course the CSSSED also interact with the government and with other bottom-up actors, but due to their focus they cannot fit in the institutional meaning and setting of social enterprises in the SEPA. Second, they mobilize alternative resources rather than receiving the subsidies to spread their own

concept of social enterprise – worker's cooperatives and social economy (Chapter Seven).

The establishment of the CSSSED can be considered as a movement of an extra-institutional actor whose focus lies on local problems, politics or characteristics (Schneiberg and Lounsbury 2008) while crystallizing a broader community of practice with the aim of promoting social economy and cooperative discourses (Tolbert and Zucker 1983; Baron, Dobbin, and Jennings 1986; Galaskiewicz and Wasserman 1989; Strang and Chang 1993). By collectively working with member organizations who do not fully agree with the SEPA, these actors clearly state that they are creating a new path of social economy / solidarity organizations which emphasize the development of solidarity between members of the society (Chapter Seven).

However, not every powerless actor can be an institutional entrepreneur. My findings show that potential institutional entrepreneurs are required to have a good history of having participated in the development of the fields. The accumulated experiences of powerless actors in the field help them to place those who are more knowledgeable and influential in a higher position, especially when powerful actors are new to the field and not knowledgeable about the field.

The CSSSED was able to be an institutional entrepreneur because their demands to change the institutional settings of Social Enterprise were accepted by the powerful actor – the government in this context. Specifically, the government positively associated with the CSSSED because they were legitimated as nascent actors who developed and practiced the concept of social enterprise in the context they were located in, even before the SEPA (Chapter Seven). In other words, the accumulated experiences of these social activities helped bottom-up actors to convince the government to accept the institutional logics embedded in their discourses. As a matter of fact, a long history of experience and activities in developing the concept of social enterprise motivated oppositional actors to speak up and push their own discourses so that they were not neglected in the institutional field. In short, although their discourses of local development and cooperative mind sets and governance were not included in the initial institutionalized meaning of social enterprise, oppositional actors managed to accomplish institutional changes of

Social Enterprise when top-down actors accepted their discourses by amending the meaning and scope of Social Enterprise in the SEPA (Chapter Seven).

Prior research (Scott et al. 2000; Hardy and Maguire 2010; Furnari 2016) found that power will be redistributed when new actors challenge the dominant institutional field. However, my findings show that institutional changes led by powerless extra-institutional actors are not always radical and dominant actors are able to sustain their legitimacy even after institutional changes. I found that power relations between top-down and bottom-up actors in the Korean social entrepreneurship field are fixed. Although powerless bottom-up actors could make institutional changes, this does not mean that they replaced existing top-down actors and became dominant. As Wooten (2016) emphasizes, my findings show that bottom-up actors are able to influence institutional changes when they do not challenge dominant actors' institutional positions. At the same time, the government accepted bottom-up actors demands because of their position as those who are responsible for solving social problems (Zald and Lounsbury 2010). However, the government selectively accepted bottom-up actors' demands which fit within the existing framework Wooten (2016) – the SEPA in my research.

In summary, the two different directions and strategies to institutionalize a new organizational form tell us that actors can empower themselves in different ways in order to be involved in the institution-building or changing process – by being intra or extra-institutional actors. Although both of them are rooted in civil society where it is autonomous from the state, voluntary, and self-generating (Diamond 1994), they do not consider each other as in-group actors, but out-group actors (Chapters Six & Seven). Also, the emerging multiple practices and collective actions that are involved in the institution-building project of Social Enterprise are similar to social movements that collectively challenges to the systems of authority (Snow 2004), as they empower themselves to make institutional changes (Schneiberg and Lounsbury 2008).

Prior research found that multiple actors often collaborate in order to preserve their interests in the process of building a new institution (O'Mahony and Bechky 2008; Zietsma and McKnight 2009). However, my findings on the two different directions and strategies of powerless bottom-up actors which are influential in the

institutional-building and changing processes show that different groups of powerless actors do not always collaborate against powerful actors. Intermediary organizations chose to be intra-institutional actors because they considered that being in-group actors of the government would be more beneficial to gain resources, networks, and the opportunities to have a good relationship with top-down actors. Meanwhile, the CSSSED chose to stay as an extra-institutional actor because their understandings on social enterprise could not fit within the legal framework. Moreover, they also have been building their own networks and resources that they can use in the field.

Both groups were able to be intra- or extra-institutional entrepreneurs because the powerful top-down actors fully or partly accepted their demands. Thus, the institutional-building process of Korean Social Enterprise did not involve power re-distribution although powerless actors challenged the dominant institutional field and this led institutional changes.

Fixed power relations between the powerful top-down and powerless bottom-up actors are related to the traditional role of the Korean government. In South Korea, policy networks, societal groups and resources are centralized to the government (Spencer, Murtha, and Lenway 2005). Therefore, once the government institutionalizes a new organizational form by establishing a new regulation for existing field-level activities, this easily spreads throughout the country. Although the relationship between the government and grassroots organizations became more amicable after the country achieved political democracy in 1997, the state is still the main actor who leads institutional-building and changing processes. Thus, in the Korean context, power re-distribution between top-down and bottom-up actors is unlikely happen especially in the institutional field. Yet, bottom-up actors are able to influence the powerful top-down actors to adapt their demands to institutional changes.

9.4 Alternative Discourses Provide the Possibility of De-institutionalization

The varieties of social enterprise discourses emerge depends on how each actor places their priorities in relation to social entrepreneurship. Actors promoting

alternative discourses consider as of primary importance the activities aimed at creating innovations which can contribute to making a positive social change, as well as creating the monetary value that can make an organization and their activities sustainable (Chapter Eight). In the meanwhile, actors promoting oppositional discourses emphasize the social value of empowering marginalized social groups by creating work opportunities and improving working conditions (Chapter Seven).

For actors in the social entrepreneurship field, sustainability is an important concept in social entrepreneurship because it is related to the impact of social enterprise activities which aim to achieve both economic and social objectives. Actors promote different social enterprise discourses based on their level of emphasis on achieving social or/and the economic sustainability of a social enterprise. More specifically, Reis, Clohesy, and Foundation (1999: 5) define "the sustainability of the organization and its services" as a strong force of driving social entrepreneurship. Stevenson (2011: 5) goes into greater detail and identifies two sides of sustainability: "financially surviving and enduring over time" and "maintaining or deepening its social impact over time."

The competitions between official, oppositional and alternative actors in social entrepreneurship in Korea also include arguments related to which sustainability a social enterprise should achieve first and how. For the actors who are promoting a social innovation discourse, organizational sustainability always comes after financial sustainability (Chapter Eight). According to these, being sustainable as a social enterprise means being accepted in the commercial market by breaking the conventional perceptions around business (Chapter Eight). In sum, social ventures and social innovation enterprises are, therefore, organizational forms which reflect their understandings on the sustainability of social enterprises.

On the contrary, actors promoting official discourses claim that their activities and organizations are already sustainable, since the survival rate of certified Social Enterprises is higher than small-medium sized enterprises (24.2%) (Lee 2012). However, they have also overwhelmingly benefited of an approximate £ 112,000 (160 million Won) in subsidies granted every year on average and actually most Social Enterprises are not truly making business profits (Korea Labor Institute 2013). Accordingly, the social sustainability of certified Social Enterprise has not been fully achieved. First, the number of employees of certified Social Enterprises has

constantly decreased between 2006 and 2012 (Korea Labor Institute 2013). Second, the average wage for vulnerable people working at Social Enterprises has also been in constant decline between 2006 and 2012 (Korea Labor Institute 2013).

The outstanding success of some social ventures and not of others uncovers the true limitations of the SEPA which was not able to produce from a financial and organizational point of view Social Enterprises which are truly sustainable. Ironically, the case of alternative actors who differentiate themselves from other actors and do not actively interact with other actors shows that they were able to influence the de-institutionalization of Social Enterprise (Rao and Kenney 2008). As a matter of fact, official, oppositional and alternative discourses of social enterprises mutually construct the phenomena of social enterprise in Korea. However, the basic understandings on social entrepreneurship and the directions of activities from alternative and other actors are contrasting, as shown in the previous Finding Chapters. More specifically, they are distant from each other because their emphasis is different, whether the focus be on delivering public policy, community development, the empowerment of social actors, solidarity, blended value, or social innovation.

The case of the emergence of social ventures also shows us that organizations which are not willing to depend on powerful actors, the government in this context, may also take a powerful or influential position in the institutional field. This can occur because alternative actors empower themselves and attract other actors by being recognized as a creative (innovative) and profitable social business. There is no significant institutional outcome from the interactions between alternative actors and other actors. However, there is the possibility of institutionalizing social ventures or de-institutionalizing the SEPA as another new organizational form in the near future if the interactions with top-down actors continue to take place.

9.5 Conclusion

To conclude the Discussion Chapter, I shall summarize the main findings related to the phenomena of the emergence of social enterprise to advance our

understanding on the various discourses around a new organizational form and their struggles in the institutional field.

The case of the emergence of Korean social enterprises confirmed that certification systems can sustain the multiplicity of the meaning and the presence of a variety of organizational forms, rather than providing a homogeneous concept (Reinecke, Manning, and Von Hagen 2012). The multiplicity of social enterprises produces a number of struggles between actors, since their interests and understandings were conflicting. These struggles relate to the definition of the purpose of social enterprise activities which reflects each actor's ideologies, in turn constructed by accumulated experiences, social interactions, personal beliefs and motivations (Van Dijk 1995: 142). More specifically, in the Korean case these struggles are caused by the establishment of a certification system which tries to standardize the organizational form of social enterprise and thereby homogenize the variety of existing discourses and organizational forms of social enterprise. By standardizing the organizational form of social enterprise, the government was able to co-opt bottom-up social enterprises as providers of public policies. The government also used established field-level networks and business ideas from bottom-up social entrepreneurs to provide social welfare and employment policies. Also, by providing employment subsidies to certified Social Enterprises, the government attempted to keep their position at a strong level by intervening in the existing field of social entrepreneurship.

However, conflicts between top-down and bottom-up actors greatly contributed to institutional changes, since bottom-up actors constantly contested the SEPA and promoted their own discourses. Thus, the case of the institutional change process of Korean social enterprises shows that these processes are not harmonious and peaceful, but, on the contrary, conflicting. As a matter of fact, actors constantly interact with each other, rather than simply agreeing on the institutional meanings and settings provided by powerful actors. The actors involved in this institutional change processes relied on two strategies to confront the government as intra- or extra- institutional actors. My findings show that both strategies are successful to influence the government and the SEPA in different ways. The extra-institutional actors were able to take an active form of resistance because of their accumulated experiences of creating actual organizations in the field. In addition, their positions

as nascent actors who initially initiated the need to promote social entrepreneurship also enabled them to be influential without being incorporated into the institutional field.

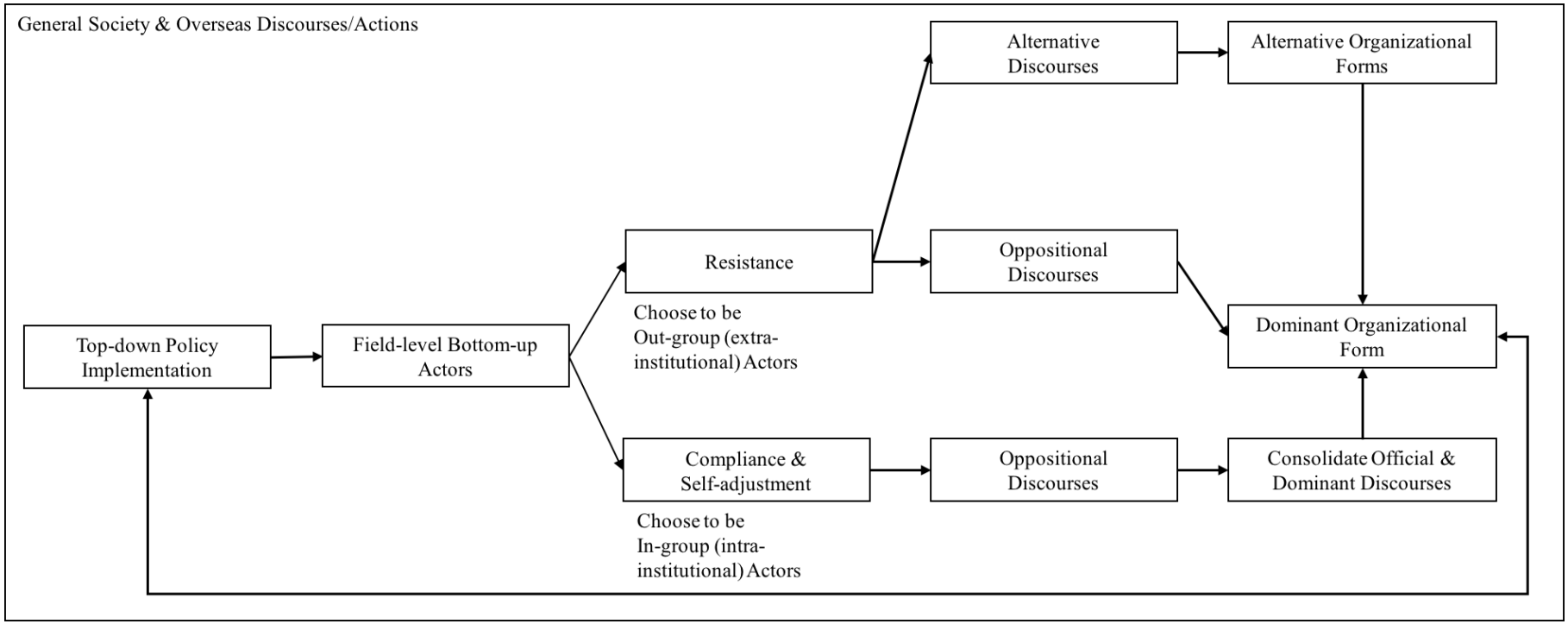
The case of the intermediary organizations which became intra-institutional actors after the SEPA shows that some bottom-up actors promote themselves by conforming themselves into the existing social order. Despite this, as shown in my findings, they still decided to raise their voices, given that they are closely connected to the field, unlike the government. In this way, they were able to accomplish institutional changes by modifying the structure of the policy delivery system and by establishing a new private-public partnership organization, while relying on existing networks and resources.

In addition to these considerations, the findings of this thesis illustrate that not every actor wants to be included in the institutional field, especially when the institutional setting limits the scope of the meaning and the activities of an organization. For example, although the government has been trying to include social innovation and entrepreneurship discourses in the institutional meaning of social enterprise, actors promoting these alternative discourses are not interested in being part of the institutional setting of social enterprise. In contrast to oppositional actors who actively interact with other actors, alternative actors do not seek to interact with others. Instead of being involved in the institution-building project, alternative actors choose to focus on developing their business to survive conventional market competition. The conceptual model of this institutionalization process of a new organizational form in the Korean context is provided in Figure 9-1.

In summary, having conflicts between actors in the institution-building process is not always negative. Instead, the struggles between actors help them to understand the existence of multiple institutional logics developed by other actors. Knowing and understanding other actors' logics related to institution-building and its background represents an opportunity to include other logics and discourses in the institutionalized logic by changing the institutional meaning and settings of an organization. Throughout this process, powerless actors are empowered to raise their voices to include their own discourses in the institutionalized logic and achieve institutional changes as institutional entrepreneurs. Although it is hard to say that

institutional entrepreneurs always push their own discourse and logics to be fully accepted by other actors at once, institutional entrepreneurs constantly push their logics over time with multiple discursive and practical strategies which they are able to use and which fit each situation.

Figure 9-1. Conceptual model of Institutionalization Process of a New Organizational Form in Korea



Conclusion

In this Chapter I present the contributions and limitations of my thesis, along with the implications for future research. First, I will introduce the theoretical, empirical and practical contributions that this thesis has achieved. Second, I will explain the limitations of my research and how I tried to overcome these. Finally, the implications of this study on present and further research will be outlined based on the contributions and limitations of this thesis.

Contributions

This thesis aims to contribute to the growing research area of social entrepreneurship by exploring the struggles over the meaning of social enterprise which emerged during the institution-building process of social enterprises as a new organizational form. The main contribution of my thesis is to show that powerless actors can influence institutional changes from the inside and the outside of the field by means of intra- and extra-social tactics.

The first contribution of this thesis is to conceptualize various forms of emerging social enterprises in the Korean context. My research advances our understanding of institutional processes at the field level from a multi-level perspective, by identifying multiple actors and discourses in the field and how they interact with each other (Schneiberg and Lounsbury 2008). In my thesis, I uncover the co-existence of multiple forms of a new organization which use the same name "social enterprise", by conceptualizing bottom-up social enterprise movements in the history of Korean social enterprise.

The history of Korean social enterprise used to be written from a top-down perspective. As a matter of fact, the grassroots activities of conceptualizing and building social enterprises in practice are often mentioned in history from a top-down perspective. However, my research reveals that the history of the bottom-up movements of social enterprises has been oversimplified. In particular, neglecting or simplifying the history of bottom-up social enterprise movements creates a blind spot

in the cumulative process of the construction of the meaning of social enterprise. In other words, the emergence of Social Enterprise led by top-down actors was not a cumulative process, but it was determined by conflicts among actors who had developed the meaning of social enterprise in the field even before the introduction of the SEPA. For this reason, the progress and development of the concept of social enterprise has been retraced from both a top-down and a bottom-up perspective. This process sheds light on the fact that the idea of social enterprise has emerged from a series of dynamic and complicated circumstances which go beyond top-down policy implementation.

This finding is novel because the emergence of social enterprise is typically depicted as a bottom-up process driven by independent entrepreneurs which are often part of civil society and which has been initiated by group of citizens (Laville and Nyssens 2001). However, my thesis shows that this assumption does not hold in South Korea where a strong state has been able to centralize resources and networks. For this reason, the institutionalization of Korean social enterprise has been considered as the result of the privatization of policy that leads social enterprises to provide social services and mobilize their own networks and ideas into the public area (Zahra et al. 2009), rather than as the result of bottom-up movements. Top-down actors expand this argument according to which providing alternative sources of finance to Social Enterprises represents a benefit for the government as well as for field-level actors, as shown in Chapter Seven. On the other hand, in spite of top-down led institutionalization processes, bottom-up actors who initially introduced the concept of social enterprise continued promoting their own understandings of social enterprise. Also, bottom-up and top-down actors still interacted with each other to achieve a shared understanding of social enterprise.

The second contribution of this thesis is to present empirical findings to examine the emergence of different forms of social enterprise in the Korean context by bringing two literatures together – institutional entrepreneurship and social movement theories within a neo-institutional perspective. Both theories emphasize the role of actors as institutional entrepreneurs who are able to achieve institutional changes and to make use of contradicting elements of existing institutions to craft new organizational forms (Lawrence and Suddaby 2006; Schneiberg and Lounsbury 2008; Scott et al. 2000). This integrated view of institutional entrepreneurship and

social movements enabled me to reveal different existing types of actors along with their discursive and practical strategies of creating various organizational forms of social enterprises. In other words, Korean social enterprise emerged not only thanks to top-down attempts to integrate field-level social enterprise activities into the policy area, but also by means of intra- and extra-institutional actors who constantly take an active form of resistance against institutional pressure.

I found that relatively powerless actors have the ability to construct their own concepts, definitions and understandings of a new organizational form, as emphasized previously by Zilber (2002: 236). Under an institutional pressure driving towards a homogeneous meaning and organizational form of social enterprise, oppositional and alternative actors constantly promoted their own discourses which reflect their own interests based on their social positions and on the context where they are located, as highlighted by Seo and Creed (2002).

Struggles over the meaning of social enterprise show that institution-building and organizational change are not harmonious and peaceful processes, where conflicts between actors are absent, as early institutionalists claim (Meyer and Rowan 1977; Tolbert and Zucker 1983). More specifically, bottom-up actors in the Korean social entrepreneurship field did not act as "passive recipients of institutional frameworks" (Scott 1995; Seo and Creed 2002: 240) who avoid conflicts with other actors in order to achieve an agreement on the institutional meaning and settings. Instead, they are institutional entrepreneurs who leverage inside and outside resources in order to accomplish institutional changes (Maguire, Hardy, and Lawrence 2004: 657). In this case, the contestations over the purpose of social enterprise and over the certification system took the form of discourses which reflect each actor's motivations and objectives in relation to social enterprise activities. Thus, the struggles over the meaning of social enterprise represent a dialectical tension and have created opportunities to be involved in institutional-building projects, as argued by Maguire and Hardy (2006). However, alternative actors have also gained these opportunities by 'creating' their own organizations and by 'proving' that they are still winners within the traditional market mechanism framework (Orlikowski and Scott 2015), rather than promoting their own discourses to other actors (Hardy and Thomas 2015).

The third contribution of this thesis is to explain the ways of achieving institutional changes by means of intra- and extra-institutional tactics, based on Schneiberg and Lounsbury (2008)'s social movements framework. Scholars working at the intersection of institutional entrepreneurship and social movement scholarship have shown that powerless groups can actually accomplish institutional change (McCarthy and Zald 1977; McAdam, McCarthy, and Zald 1996; Rao, Morrill, and Zald 2000). Yet, mainstream organizational theories have not paid enough attention to how these less powerful actors interact with the powerful ones to adjust existing institutional arrangements (Seo and Creed 2002). Therefore, in this thesis, I claim that different groups of actors in positions of lower power can still exhibit different intentions from one another; for this reason, their reactions to powerful actors are different. More specifically, oppositional actors who partly reject the official definition of Social Enterprise in the SEPA followed the strategy of becoming intra-institutional actors or staying in the position of extra-institutional actors. Alternative actors who fully reject the official definition of Social Enterprise given by the government, instead, took on the strategy of isolating themselves, refusing interactions and selecting alternative standards in order to legitimate their organizations.

With regard to intra-institutional actors, they mobilized existing field-level and policy networks, besides government budgets in order to change the structure of the SEPA delivery system. These movements resulted in the inclusion of other types of social enterprises, such as cooperatives, social economy and community enterprises, in the institutional field. Extra-institutional actors, instead, focused more on building a broad concept of social economy together with other alternative actors who fundamentally disagree with the concept of certified Social Enterprises. In order to achieve this purpose, they established their own network related to the solidarity economy on the basis of their long history of activities which emphasizes the empowerment of individuals through social enterprise activities. These movements resulted in an increased use of the term solidarity economy and social economy, and a policy discussion on the establishment of the Social Economy Act. Given these arguments, the core argument outlines the fact that powerless actors do not always depend on other powerful actors. Instead, they influence institutional changes from the inside and the outside of the field by means of intra- and extra-actors' movements.

However, intra- and extra-institutional actors are not completely opposed to each other given that they share the roots of work-related organizations in the Korean context. As soon as some bottom-up organizations changed their positions by being integrated into the institutional field as intermediary organizations, the core objectives of their activities and strategies also changed. In this thesis I, therefore, claim that the boundaries of intra- and extra-institutional actors are not clear-cut. As a matter of fact, although they do not actively interact with each other in the institutional field, individuals in different groups of top-down and bottom-up actors still communicate with one another in relation to field-level and institutional-level problems.

Fourth, this thesis empirically contributes to extending the boundaries of social enterprise theory in a different geographical scope. In relation to this aspect, Peattie and Morley (2008) point out the importance of theory development with regard to its geographical diversity, which has been considered as one of the limitations of the social entrepreneurship research field. Unlike previous studies on the emergence of social enterprises in the European or American contexts, the Korean case can inform us on how grassroots or alternative organizations are included into the existing social order under the influence of a strong state. This contributes to explaining the different adaptation processes of social enterprises in different times and places (Munoz 2010; Peattie and Morley 2008). More specifically, in Korea, by relying on policy networks, societal groups and state-centralized resources, pre-existing organizations were able to imitate the structure of certified Social Enterprises in order to fit the established standards. As a result, social enterprises which existed before the SEPA responded to isomorphic pressures of the certified Social Enterprises, even though their activities had motivated top-down actors to establish the SEPA. The case of conflicting interests and discourses of social enterprises in Korea, therefore, advances our knowledge concerning institution-building processes from a neo-institutional perspective. I demonstrate that during these processes, the power of dominant actors, such as the government and policy makers, assumes a leading role in institutionalization. However, at the same time their power does not always rule over the entire field. As a matter of fact, the policy system of the SEPA does not define certified the Social Enterprises and intermediary organizations as target recipients, but as partners and service providers.

In the case of intermediary organizations, they were able to be actively involved in institution-building processes by setting their positions closer to the government. As intermediaries, they posed themselves as bridges between the government and field-level social enterprises performing social entrepreneurship activities according to the government's definition. As presented in Chapter Seven, on behalf of the government, intermediary organizations took charge of performing the certification process – recruiting and advising certified Social Enterprises, organizing a certification judge committee, and reporting field-level information to the government. Therefore, the changes in political relationships between the government and civil society have also led them to exchange opinions more openly.

Limitations

In this thesis, I tried to capture the power struggles and imbalances between multiple actors by conceptualizing the multiplicity of social enterprises depending on each actor's ideologies. For this reason, I presented the multiple discourses and practices of social enterprises which together construct the phenomena of the emergence of social enterprises in Korea. The focus of my research, however, was not on a single case of social enterprise or on the in-depth exploration of the role of individual actors in this process. As a matter of fact, with inductive grounded theory as a research methodology, I aimed to find examples from field-level data and observations, instead of collecting data from pre-selected examples. In addition to these considerations, the complicated field of Korean social enterprises where various discourses co-exist also made it difficult to select certain cases to be studied in-depth. Instead, I chose to study the phenomena in a broad way, given that my research question derived from the observations of social enterprises at the organizational level. In a similar fashion, this research process has not taken into account the voice of employees in social enterprise, even though they also contribute to developing social enterprise discourses given that they bring with them field-level perspectives. However, I did interview the CEOs of social enterprises, intermediaries and civil activities who are channels of bridging field-level workers, organizational activities and other actors in the institutional field.

The second limitation of the thesis is related to differences between the current phenomena of social enterprise in 2017 and the phenomena I observed in 2014. As I already mentioned in Chapter Five, there has been a political attempt to introduce new forms to legalize social enterprises – the Social Economy Act. The enactment of the Social Economy Act could be accelerated in 2017 during the time of the 19th presidential election of Korea. Interestingly, the Social Economy Act which is a core outcome of the struggle over the institutional meaning of Social Enterprise that aims to include all kinds of social enterprise activities is not limited to certified Social Enterprises. Whether the Social Economy Act has been established to rule the SEPA or not, its establishment will by all means influence the current relationships of actors, policies and activities to some extent. Even though these recent considerations are of great importance, I concluded that the inclusion of the current social economy debate in my study would generate confusion as to what the research object of this work actually is. For this reason, I chose to limit my focus to the struggles over the meaning of *social enterprise* related to the SEPA between 2006 and 2012, which had already produced explicit dialectical tensions and enabled me to capture the power struggles between actors in the institutional field. In this way, my research also provides a historical perspective to study the future debate on the meaning of social economy which has emerged as a reaction to the limitations of the SEPA.

Third, the identification of discourses and social enterprise approaches which I have presented throughout this work can also be seen as overgeneralizations of the inherent multiplicity characterizing the field. With regard to this point, I would like to emphasize that a group of actors can promote more than one discourse given that they construct their ideologies by combining different approaches (Van Dijk 1995). For this reason, the borderlines I drew between discourses, approaches and actors in the social entrepreneurship field were meant to help the readers understand the multiplicity and differences within the field and are not an exact representation of a much more complex reality. My research contributes to advancing our understanding on how social reality – organizations in this case – is socially constructed through constant interactions between actors who have developed their ideologies based on different experiences and knowledge. With regard to this point, I emphasize the fact that the boundaries to the concept of social enterprise are fuzzy and ever changing.

Fourth, the power struggles between actors have not actually been fully studied from a multi-level perspective. Instead, actors have been identified according to two different levels – top-down and bottom-up. This type of identification helped me to focus on the interactions and power struggles emerging from the top-down pressures. For example, the case of intermediary organizations as actors which bridge top-down actors and field-level social entrepreneurs can only be studied through a multi-level perspective. Considering the fact that intermediary organizations are relatively powerful institutional actors in comparison to field-level certified Social Enterprises, my research could be expanded to include the resources and strategies and extend power in two further different relationships of an organization with the relatively powerful and the relatively powerless actors. This limitation is also connected to the first limitation which relates to the exclusion of the voice of field-level employees in my research. However, in this study I focused more on the power struggles which emerged from dominant institutional pressures – the SEPA and its development processes – instead of the relationships of multiple actors and the multi directions of power tactics. In sum, I considered approaching the emergence of Korean Social enterprise according to two different levels – top-down and bottom-up – which would well present bottom-up contestations against the attempts of expanding government power.

Implications and Future Research

By putting the contributions and limitations of this research together, this section will discuss how research findings and conclusions can be extended. I will also suggest some research questions that could be addressed by future research.

First, the different strategies used by oppositional and alternative actors to legitimate their activities raised further research questions on the relationship between materiality and discourse. While oppositional actors consider the existence of organizations and discourses to be proved only when they are institutionalized, alternative actors, instead, proved their existence by creating organizations based on their own discourses. These findings can contribute to developing future research

building on the current debates on whether, and what, discourse brings to materiality and materiality to discourse (Hardy and Thomas 2015), or whether materiality and discourses are inseparable (Orlikowski and Scott 2015; Barad 2007). By addressing the ontological question "how do we know that alternative types of social enterprises exist when they are not institutionalized?", future research can be carried out through the observations of performance and the discourses produced by alternative organizations in the field.

Second, the history of Korean social enterprises can be studied as part of the history of social movements which confronted the massive capitalistic pressures from the government and from big business groups or *Chaebol*. My research found that the current understandings and organizational forms, which have emerged, are based on alternative organizational activities in Korean history, which had tackled the economic and social problems that the government and traditional businesses were incapable of solving. A long and dynamic history of social enterprises can explain in greater depth what and how a certain business activity can contribute to solving economic, social and political problems which society is confronted with (Laville and Nyssens 2001). For this reason, alternative forms of business, such as *Dure, National Product Movement*, co-operatives and self-sufficiency enterprises can be studied as continuous alternative forms or as business activities from a historical perspective. This research direction is expected to reveal the existence of alternative businesses with different names and organizational forms that have contributed to the social development of Korea by tackling certain economic, social and political issues. In addition to this, future research could also provide a practical perspective on how the organizational forms and objectives of social enterprises will continue to change as every society faces new social and economic problems.

Third, in terms of future research, I hope my research is able to inform debates on how contextual factors influence institution-building or changing processes in different contexts, by comparing Korean cases with ones in the UK and Europe. From my findings, top-down actors explicitly acknowledged that they had designed the SEPA with reference to British social enterprise policies, in particular to the Community Interest Company (CIC). Meanwhile, bottom-up actors mentioned that they were mainly influenced by Mondragon, a Spanish worker's cooperative and the Social Cooperative Law in Italy. The concept of a new organizational form can

be elaborated further by translating and importing concepts and examples from overseas (Creed, Scully, and Austin 2002). Future research could address the following question that I began to ask in this study namely: how do the meanings of social enterprises change when being transported to other socio-economic, cultural and political contexts, and how do the interests of actors enter into conflict against each other within this translation process? The case studies of the translation of the CIC and of the worker's and social cooperatives in Korea present in greater detail how actors modified the original concepts and structures within the situation where they were located.

Fourth, my research can be expanded to study the struggles over the meaning of hybrid organizations, such as social economy and solidarity economy enterprises, in order to investigate the development path of social enterprise discourses. The enactment of the Social Economy Act will raise additional research questions on how actors change their positions and strategies when an institutional setting is modified. Since the Social Economy Act aims to include all kinds of social enterprise activities in the field, this legalization naturally leads to the question of whether or not field-level organizations are isomorphic under strong institutional pressures and are to be included as part of the grand narrative of social economy.

Fifth, my thesis studied intermediary organizations as intra-institutional actors who make institutional changes from the inside of institutions. However, the role of intermediary organizations can be further studied by exploring the extension of their power in the field. More specifically, intermediary organizations are relatively powerless actors in comparison to the government, but they are still relatively powerful actors when compared to social entrepreneurs whose activities are being managed by them. Therefore, the existence of intermediary organizations as street-level bureaucrats who implement public services on behalf of the government (Lipsky 2010) raises the following research questions: how do their political agendas and strategies differ when they communicate with policy makers and the government, and with lowest rank participants? Where do their power controls come from – government funding, social positions as street-level bureaucrats, or from field-level practices and supports?

Lastly, in future research, scholars can explore the varieties of capitalism that are contained in the each actor's discourse of social enterprise (Hall and Soskice

2001). In my findings, I emphasized that different organizational forms of social enterprise, including certified Social Enterprises, CSR, cooperatives, social ventures and social innovation enterprises, are the result of a different emphasis on economic or social sustainability. However, the conflicting emphasis on survival in the traditional market mechanisms, on one hand, and on economic sustainability, or on solidarity in society and on the empowerment of marginalized people, on the other, raises the question of whether a social enterprise consolidates or deconstructs the dominant neoliberal capitalist system. If a social enterprise has originally emerged as an alternative to capitalism, can other types of social entrepreneurial activities, such as CSR and social ventures, aiming to be winners in the capitalistic market system, still be considered as part of social entrepreneurship? What were the original motivations of these alternative organizations and how have their economic activities been integrated into the market economy?

Appendix

I. List of Pilot Study Interviewees (Name of interviewees and organizations are fiction, 2013)

No.	Name	Organization	Position	Category	1st Email		2nd Email		3rd Email		4th Email		Results
					Sent	Received	Sent	Received	Sent	Received	Sent	Received	
1	AA1	Circle	CEO	Social Venture	8 Oct	11 Oct	14 Oct	19 Oct	23 Oct	1 Nov			Completed
2	AB2	Magazine S	Reporter	Media	8 Oct	16 Oct	18 Oct						No answer
3	AC3	Your Friend	CEO	For profit corporation	9 Oct	9 Oct	10 Oct	10 Oct	11 Oct	11 Oct	14 Oct	14 Oct	Completed
4	AD4	Good Traveller	CEO	Social Venture	9 Oct	10 Oct	11 Oct	18 Oct	23 Oct	5 Nov	14 Nov	2 Dec	Completed
5	AE5	KV&E Foundation	Chief Researcher	Academia	16 Oct	18 Oct	23 Oct	30 Oct	31 Oct	18 Nov			Completed
6	AF6	Upcycle	CEO	Social Enterprise	16 Oct	21 Oct	23 Oct	28 Oct	29 Oct	4 Nov			Completed
7	AG7	You Can Do It	CEO	Social Venture	18 Oct	18 Oct	23 Oct	19 Nov	21 Nov				No answer
8	AH8	Good Investment	Board Member	Social Venture	23 Oct	28 Oct	29 Oct	10 Nov	12 Nov	17 Nov			Completed
9	AI9	Local Media	Chief Director	Intermediary Organization	23 Oct	30 Oct	31 Oct	2 Nov	7 Nov	10 Nov	12 Nov	14 Nov	Completed
10	AJ10	Social Impact	CEO	Social Venture	23 Oct								No answer
11	AK11	Transition	Board Member	Social Enterprise	31 Oct								No answer
12	AL12	S Coop	Chief Director	Cooperative	2 Nov	23 Nov	23 Nov	28 Nov	29 Nov				Completed
13	AM13	Angel Ventures	CEO	Social Venture	2 Dec	2 Dec	2 Dec	3 Dec	3 Dec	3 Dec			Completed

II. Potential Questions for the Pilot Study Interview

Category	Potential Questions
Initial Questions	1) When did you first notice the term social enterprise and how? 2) How do you define social enterprise? 3) Who/what influenced your action/understanding of social enterprise? 4) How did that person/event influenced you to further understand social enterprise?
Intermediate Questions	1) What has been your main work in the social entrepreneurship field? 2) Who are the key actors involved in the emergence process of social enterprise? 3) Can you please tell me as much as you know about the SEPA? 4) Can you please tell me about your thoughts and perceptions on the SEPA? 5) Were you involved in the process of development of the SEPA? 6) If so, could you describe what events/people importantly influenced the process? 7) If you first noticed social entrepreneurial activities before the enactment of the SEPA, could you please tell me when and how? 8) What kind of organization was it? Could you please tell me characteristics and objectives of the organization? 9) How do you distinguish between social enterprises before and after the SEPA? 10) What has the civil society been done regarding the emergence and development of social enterprise? 11) Did you start your business before or after the SEPA? 12) What was the main motivation of your business? 13) Did any social event or environment influence your decision to run a social enterprise?
Ending Questions	1) Is there anything else you think I should know and understand better about Korean social enterprise? 2) Do you have any questions to ask me? 3) Is there anyone you can introduce me to who I could interview on these topics?

III. List of Field Work Interviewees (Name of interviewees and organizations are fiction, 2014)

No.	Name	Title	Affiliation	Category	Interview Date	Interview Hours
1	BC1	CEO	A SE	Certified & Preliminary Social Enterprise	19 June 2014	17:49PM-19:20PM
2	BW2	Manager	B SE	Certified & Preliminary Social Enterprise	15 May 2014	11:20AM-12:15PM
3	BD3	Manager	C Gov Department	Certified & Preliminary Social Enterprise	15 June 2014	18:09PM-17:44PM
4	BJ4	Deputy Director	D Gov Department	Certified & Preliminary Social Enterprise	23 July 2014	19:30PM-21:30PM
5	BH5	Academic	E University	Certified & Preliminary Social Enterprise	23 June 2014	13:05PM-14:22PM
6	BH6	Director	F Gov Department	Certified & Preliminary Social Enterprise	13 June 2014	15:09PM-16:30PM
7	BJ7	CEO	G SE	Certified Social Enterprise	16 June 2014	14:04PM-16:00PM
8	BK8	CEO	H SE	Certified Social Enterprise	18 June 2014	13:38PM-15:00PM
9	CD9	Chair	I SE	Certified Social Enterprise	7 July 2014	17:00PM-17:30PM
10	CE0	Deputy Director	J Intermediary	Intermediary	20 May 2014	15:30PM-17:40PM
11	CS1	Deputy Director	K Intermediary	Intermediary	16 May 2014	15:04PM-15:49PM
12	CY2	Director	L Intermediary	Intermediary	15 May 2014	10:10AM-11:10AM
13	CJ3	Manager	M Intermediary	Intermediary	15 May 2014	14:16PM-15:18PM
14	CK4	Deputy Director	M Intermediary	Intermediary	15 May 2014	15:41PM-16:48PM
15	CH5	Consultant	N Intermediary	Intermediary	28 May 2014	11:52AM-13:00PM
16	CS6	CEO	O Intermediary	Intermediary	12 June 2014	10:07AM-11:30AM
17	BB7	Deputy Director	P SE	Social enterprise	22 May 2014	17:14PM-18:25PM

18	CK8	Journalist	Q SE	Social enterprise	23 May 2014	17:30PM-18:30PM
19	CH9	Deputy Director	R SE	Social enterprise	19 May 2014	09:41AM-11:AM
20	DH0	Manager	S Institute	Social enterprise	19 May 2014	17:27PM-19:27PM
21	DS1	Academic	T Institute	Social enterprise	1 June 2014	16:13PM-18:06PM
22	DW2	Researcher	U Institute	Social enterprise	10 June 2014	13:58PM-16:03PM
23	DH3	Researcher	V University	Social enterprise	11 July 2014	10:15AM-12:20PM
24	DJ4	Academic	W University	Social enterprise	28 May 2014	15:00 PM-16:00PM
25	DD5	Deputy Director	X Institute	Social enterprise	10 July 2014	10:10AM-11:30AM
26	DJ6	CEO	Y Investment	Social Venture	21 May 2014	15:07PM-17:00PM
27	DH7	CEO	Z SV	Social Venture	18 June 2014	11:06AM-12:17PM
28	DS8	Director	A SV	Social Venture	20 May 2014	09:41AM-10:46AM
29	DK9	Manager	B Investment	Social Venture	10 June 2014	20:03PM-21:51PM
30	EJ0	CEO	C Investment	Social Venture	2 June 2014	14:07PM-16:23PM
31	EC1	CEO	D SV	Social Venture	13 May 2014	11:10AM-14:12PM
32	EH2	Director	E SV	Social Venture	19 June 2014	14:29PM-15:45PM
33	ED3	CEO	F SV	Social Venture	24 May 2014	13:05PM-12:38PM
34	ET4	CEO	G SV	Social Venture (TD)	16 May 2014	09:02AM-10:35AM
35	EJ5	CEO	H SV	Social Venture (TD)	17 May 2014	10:35AM-12:00PM
36	EJ6	CEO	I investment	Social Venture (TD)	20 June 2014	10:12AM-11:25AM

IV. Potential Interview Questions

Category	Questions	
Basic Questions	Basic information about an interviewee and affiliation	1) Organization Name 2) Founding Year 3) Governance a. Type of founding members: group of citizens, NPO, public bodies, etc. b. Legal Form: Company/limited partnership, corporation/association, non-profit, NGOs, social welfare corporation, living cooperative, agricultural cooperative, etc. c. Distribution of profit 4) Industry: Nursing/housekeeping service, education, culture/art, health care service, child care service, social welfare service, environment, forest preservation, sharing economy, IT/technology, crowd funding, design, etc. 5) Social Objectives: Job creation, social service provision, mixed, local community contribution, etc. 6) Economic Objectives 7) Origins a. Who established this organization (i.e. Individuals, enterprises, third party payer, government, etc.)? b. What was your previous organizational form? Cooperative, self-sufficiency enterprise, preliminary SE, rehabilitation center for the disabilities, social venture, innovative social enterprise, private company, etc. c. What was your main driver to establish this organization (i.e. To achieve the SE social mission, to increase the SE financial sustainability, to increase the range

		and/or quality of the products and/or services that the SE provides, pressure from competitors, pressure from the government, etc. 8) Entrepreneurial orientation: Innovation, experimentation, risk-taking
	Limitations of SEPA	1) What do you think what are the limitations of the SEPA? a. It limits creativity and freedom of organizational activities. b. It increases resource dependency. c. Complicated administrative procedure (Reporting system etc). d. Other.
	Perception on other type of SEs	1) Why did you choose a certain type of SE as your organizational type (strengths and limitations)? 2) Why didn't you choose other types of SE as your organizational type (strengths and limitations)? 3) Why did/didn't you get a government certification? 4) What characteristics do you think make your organization a social enterprise/social venture/social innovative enterprise (whether you are certified or not)?
Which factors influenced your action to establish a social enterprise or your understanding of social enterprises the most? And how?		
Political Environmental Factors	National Policies	1) Social Enterprise Promotion Act (2007) 2) Framework Act on Cooperatives (2012)
	Local Policies	1) Ordinance on the Support and the Promotion of Social Enterprise (2007) 2) Other preliminary SEs related policies (ex. Seoul Village Enterprise)
	Promoting Activities	1) Young Social Entrepreneurs Support Project hosted by the Ministry of Employment and Welfare and organized by the Korea Social Enterprise Promotion Agency (2011) 2) National Social Venture Competition hosted by the Ministry of Employment and Welfare and organized by the Korea Social Enterprise Promotion Agency (2011)

	Interaction with (local) policy makers	1) Policy makers or local government officers suggested or pushed to change the organizational form to that of a social enterprise 2) Others
Economic Environmental Factors	Capital Market	Financial resources provided from 1) Government 2) Private Company 3) Venture Capital 4) Others
	Buyer-supplier relations	Being a social enterprise attracts buyers and buyers want to trade with SEs. 1) Government 2) Private company 3) Individuals 4) Others
	Interaction with local venture capitalists	Being a social enterprise attracts venture capitalists and they want to invest money in SEs.
	Support of start-ups by firms	Big corporations provide financial support to start SEs.
	Employment	IMF financial crisis in 1996 and increased unemployment rate
	Lack of Resources	Increased financial difficulties of NGOs
Social Environmental Factors	Interaction with public education and research	The level of education has been developed. 1) Increased social recognition for good businesses 2) Learned success stories of overseas SEs (UK, other European countries, US, Japan)
	Interaction with local public opinion	The public opinion was supportive of the development of social enterprise

	Quality of life	A higher quality of life increased people's perception concerning their dedication to society
	Culture (the attitudes towards cooperation and solidarity)	Increased positive attitudes or necessity towards cooperation and solidarity
	Networks	Certain networks among a number of actors were crucial 1) Social activities 2) NGOs 3) Entrepreneurs 4) Others
	Geographical location	Certain regions had good conditions to start a social business
	Founding of leading firms	Some successful firms led the emergence of social enterprise
	Local Demand	Customers/beneficiaries exerted pressure on organizations to be social enterprises
Technological Environmental Factors	Technology Development	Developed level of technology – Internet, SNS, etc. helped to access the international social entrepreneurship movement
Historical Factors	Tradition and Historical Preconditions	History of development of previous organizational forms 1) Self-sufficiency enterprise 2) Vocational rehabilitation center for the disabilities 3) Cooperative 4) Organization supported by social work program 5) Others
Others	Chance	Won a social venture competition

V. Time Lines and Main Actions/Sayings of Key Actors on Social Enterprise

<table>
<tr><th>Dominant Actors</th><th>Oppositional Actors</th><th>Alternative Actors</th></tr>
<tr><td>2003. Presidential Committee on Job Strategy announced that the “Social Work” policy which provides work opportunities to people in conditions of extreme poverty is a core policy agenda of the government (Presidential Committee on Job Strategy 2006).</td><td rowspan="2">2003. National Movement Committee for Overcoming Unemployment (NMCOU) organized the “Task Force Team of Social Work.”</td><td rowspan="3">2003. The Social Enterprise Network (SEN) Korea introduced the term social entrepreneurship based on the US approach. They defined social enterprise (venture) as: an organization which solves social problems that governments and/or the third sector organizations have failed to solve, through innovative business activities.</td></tr>
<tr><td>2003. Presidential Committee on Job Strategy defined “social work” as that where work places/opportunities are created by providing services to the third sector (Presidential Committee on Job Strategy 2006).</td></tr>
<tr><td>2003. Presidential Committee on Job Strategy organized the “Task Force Team for Social Enterprise Promotion Act” (Presidential Committee on Job Strategy 2006).</td><td>2003. One of the core managers at “National Movement Committee for Overcoming Unemployment (NMCOU)” participated in the “Task Force Team of Social Enterprise Promotion Act” as a representative of NGO members of the “Task Force Team of Social Work.”</td></tr>
</table>

March 2005. **Ministry of Labor** organized the "SEPA Task Force Team."		*August 2005*. **The SEN** organized the first "Global Social Venture Competition."
April 2006. **Members of the National Assembly** submitted two different legislative bills on Social Enterprise.		
April 2006. **The Legislative Bill for Establishing and Promoting Social Enterprises** defined a Social Enterprise as a non-profit and/or profit organization which provides work opportunities or social services to the vulnerable people (Environment and Labor Committee in the National Assembly 2006).	*April 2006*. **The Legislative Bill for Promoting and Supporting Social Enterprises** defined a Social Enterprise as one consisting of members, which include workers and users, investors, contributors (donors), volunteers and others who are involved in the activities (Environment and Labor Committee in the National Assembly 2006).	*2006*. **Social Innovation Centre** established by the Hope Institute.
April 2006. **The Legislative Bill for Establishing and Promoting Social Enterprises** mentioned that certification has a positive image for the public and it will help social enterprises to work in the public market and in local communities. (Environment and Labor Committee in the National Assembly 2006).	*April 2006*. **The Legislative Bill for Promoting and Supporting Social Enterprises** included the registration system, not only the certification system (Environment and Labor Committee in the National Assembly 2006).	-

April 2006. **The Legislative Bill for Establishing and Promoting Social Enterprises** refused to include a cooperative governance because this will make the decision-making process inefficient, a contradiction with the idea of an "enterprise" which has to be efficient and profit-oriented (Environment and Labor Committee in the National Assembly 2006).	*April 2006*. **The Legislative Bill for Promoting and Supporting Social Enterprises** mentioned that a cooperative governance is *good* for the empowerment of workers by including them as the members of an organization (Environment and Labor Committee in the National Assembly 2006).	
April 2006. **The Legislative Bill for Establishing and Promoting Social Enterprises** focused more on promoting Social Enterprises rather than previous organizational forms such as self-sufficiency. (Environment and Labor Committee in the National Assembly 2006).	*April 2006*. **The Legislative Bill for Promoting and Supporting Social Enterprises** emphasized their previous experiences of establishing and running workers' cooperatives in the field (Environment and Labor Committee in the National Assembly 2006).	-

	April 2006. **The WT Foundation** had a closer relationship with the government – especially with the Ministry of Labor (MoL) since they had participated in the design of the "Social Work Program" with the MoL and in the delivering of the policy (Working Together Foundation 2013).	
December 2006. **The Social Enterprise Promotion Act** was established.		
November 2008. **The Ministry of Employment and Labor** announced a five years' policy plan to promote social enterprises based on the comments and opinions collected from multiple actors at meetings, public hearings and policy forums.	-	-
May 2009. **The Prime Minister's Office** organized several field investigation teams along with the Task Force Team on Employment and Social Safety Net in July 2009.	*February 2009.* T**he CSSSED** changed its name to the Solidarity Council of Social Economy in order to emphasize the fact that they are promoting a social economy discourse.	

September 2009, **The Prime Minister's Office** officially invited organizations which were related to social services and social entrepreneurship to submit their opinions on the related policies.	*March 2009*, **The Solidarity Council of Social Economy** organized a policy workshop on the SEPA for its member organizations to increase their understanding of government policies and to react to top-down actions.	
9th December 2010. **Amendment of the SEPA**. The definition of social enterprise has been legally changed to include the local development discourse as part of the institutionalized meaning of social enterprise (Article 5-2). Regional governments were able to organize their own programs to promote social enterprise activities in their regions and local communities (Article 10-2).		
2009. **The Ministry of Employment and Labo**r organized the "Social Venture Competition" within the partnership with the SEN (Korea Social Enterprise Promotion Agency 2013c, 2015b).	-	*2009.* **The SEN** organized the "Social Venture Competition" within the partnership with the Ministry of Employment and Labor (Korea Social Enterprise Promotion Agency 2013c, 2015b).

<table>
<tr><td rowspan="2">2011. The Ministry of Employment and Labor organized the “Young Social Entrepreneurs’ Promotion Project” (Korea Social Enterprise Promotion Agency 2013c, 2015b).</td><td rowspan="2">October 2011. The Solidarity Committee for Establishment of the Framework Act on Cooperatives was established in a partnership with 29 self-sufficiency, social enterprise, and cooperatives related organizations. They insisted on the need to establish the Framework Act on Cooperatives which enables existing cooperatives to gain legal legitimacy.</td><td>2011. The Beautiful Store established the “Social Enterprise Support Center” and launched the “Beautiful Fellowship” that supports the activities of social innovators who are running a social innovation enterprise (Beautiful Store 2014).</td></tr>
<tr><td>2011. The Beautiful Fellowship defined “Socially Innovative Entrepreneurs” as those who aim at solving social problems in the field of environment, human rights, education, culture and social communities thanks to innovative social ideas (Beautiful Store 2014).</td></tr>
<tr><td colspan="3">2011. The Korea of Social Enterprise promotion Agency (KOSEA) wrote the official definition on the KOSEA website for the first time as follows: a social venture is “a business which is more creative and innovative compared to social enterprises, but which does not necessarily meet the criteria of certified social enterprises” (Korea Social Enterprise Promotion Agency 2011).</td></tr>
<tr><td colspan="3">1st February 2012. Amendment of the SEPA. In order to include social cooperatives as a type of social enterprise, the Ministry of Public Administration and Security established the “Framework Act on Cooperative” which defines the concept of social cooperatives and the details of the supporting policies in 2012.</td></tr>
</table>

	November 2012. **The Solidarity Network of Cooperative Social Economy** was established by merging "The Solidarity Committee for Establishment of the Framework Act on Cooperatives" with the "Solidarity for Korean Social Economy."	*October 2012*. **Delight** obtained a first B-corp in Korea.
		March 2013. **Ashoka Korea** started supporting social entrepreneurs who present five characteristics of new ideas which aim at changing society: creativity, entrepreneurship, social impact of business idea and ethics (Ashoka Korea 2015a).

VI. Coding Categories for the Struggles over the Meaning of Social Enterprise

Illustration of Data Coded	Description	Coding Category
Criticisms of the Legislative Bill of the SEPA (2005-2006)		
It is wrong that people perceive a social enterprise as a place where disabled people bake bread or vulnerable people do public work. (BK8, CEO, H SE, 18 June 2014, 13:38PM-15:00PM)	Instances in which actors criticized the limited definition of social enterprise in the Legislative Bill of the SEPA.	Criticism of a limited interpretation of social enterprise activities.
We suggested criteria and other characteristics of workers' cooperative to be included in the legislative bill of Social Enterprise, based on the cases of Italian cooperatives. (BB7, Deputy Director, P SE Network, 22 May 2014, 17:14PM-18:25PM)	Instances in which actors proposed an additional definition of social enterprise for consideration and inclusion in the final legal text of the SEPA.	Recommendation to expand the meaning of social enterprise in the SEPA.
Social Work TF organizations in civil society had submitted formal questions to the Ministry of Strategy and Finance (MoSF) regarding the policy plans for social service work in 2004. In the opinion of civil society (represented by Social Work TF organizations here), the policy plan of the government on social service work had not been suitably designed but was only a tool to increase the employment rate. (CE0, Deputy Director, J Intermediary, 20 May 2014, 15:30PM-17:40PM)	Instances in which actors proposed or submitted additional texts to redesign the policy plans.	Recommendation to redesign the policy to consider the original objectives of social enterprise activities.

Government Response		
From the MoEL perspective, previous forms of social enterprise such as self-sufficiency enterprises did not exhibit any characteristic of "enterprise", but they were more like voluntary organizations who are running programs with government funding. That's why the government found the need to build a new organizational form that can cover the limitations of previous organizational forms. (BH5, Professor, E University, 23 June 2014, 13:05PM-14:22PM)	Instances in which a recommendation to include an additional definition of social enterprise was not accepted.	Rejecting a recommendation to include an expanded meaning of social enterprise.
The MoEL took the model of the CIC as a fundamental benchmark throughout the entire process. In the UK, the government financially supports registered social enterprises. These were part of the government procurement for the rehabilitation of poor villages and cities. After researching cases of social enterprises in the UK, the MoEL decided to implement the certification system. (BD3, Manager, C Government Department, 15 June 2014, 18:09PM-17:44PM)	Instances in which an overseas case of social enterprise (Italian cooperatives) suggested by the civil society was not accepted. Instead, the government endorsed the concept of social enterprise from the UK policies.	Rejecting a recommendation to include other organizational forms of social enterprise.

VII. Coding Categories for the Struggles over the Meaning of Social Enterprise

Identification of Actors	Illustration of Data Coded	Description	Coding Category
	Criticisms of the SEPA (2007-2012)		
Oppositional Actors	(…) The value of social enterprise should not be standardized but diversified. However, the SEPA has limited the scope of the value, the meaning and the boundaries of social enterprise. (DW2, Researcher, U Institute, 10 June 2014, 13:58PM-16:03PM)	Instances in which actors proposed that the meaning of social enterprise needs to be expanded.	Recommendation to expand the meaning of social enterprise in the SEPA.
	We suggested criteria and other characteristics of workers' cooperative to be included in the legislative bill of Social Enterprise, based on the cases of Italian cooperatives. We expected that we could solve all the legal and institutional problems of workers' cooperatives that we had in practice through the SEPA. (BB7, Deputy Director, P SE Network, 22 May 2014, 17:14PM-18:25PM)	Instances in which actors proposed or submitted additional texts to be considered and included in the final legal text or the SEPA.	Recommendation to redesign the policy to consider the original objectives of social enterprise activities.
Alternative Actors	We and the top-down actors, mainly the MoEL, understand social enterprise very differently (...) Excluding those uncertified social enterprises which do not fit the criteria of the Social Enterprise certification from the official meaning of social enterprise is bad. In this sense, the Social Enterprise Promotion Act should have been called the Social Services Promotion Act. (EC1, Deputy Director, D SV, 13 May 2014)	Instances in which actors criticized the meaning of social enterprise in the SEPA.	Criticism of a limited interpretation of social enterprise activities.

Alternative Actors	The certification frames the social objectives of a social enterprise which is supposed to be developed by social entrepreneurs themselves. (EJ0, CEO, C Investment, 2 June 2014, 10:35AM-12:00PM)	Instances in which actors acknowledge that social enterprise is a grassroots emergent concept.	Criticism of a limited interpretation of social enterprise activities.
	I am not saying that the idea of social services business or cooperatives is wrong. Establishing the legal framework for cooperatives is good in terms of bringing them into the institutional field. The problem is putting cooperatives, certified Social Enterprises and social innovative enterprises into a single sector. (EC1, Deputy Director, D SV, 13 May 2014)	Instances in which actors propose different types of social enterprise to be legally identified.	Recommendation to identify different organizational forms of social enterprise.
	I am suggesting that social entrepreneurs should have a B-corp certification rather than the SEPA certification. The B-corp certification exhibits the global standard of being an innovative social enterprise which fits our definition of social enterprise. If a social enterprise has a B-corp certification, people believe that the organization is contributing to social innovation and change for real. (DH7, CEO, Z SV, 18 June 2014, 11:06AM-12:17PM)	Instances in which actors select alternative standards for legitimation.	Differentiation of their organizations from the SEPA.

	I do not know much about Social Enterprises and about the SEPA. I think my organization is a social enterprise in a broad sense of aiming to achieve both economic and social objectives. However, I firmly do not want to limit the scope of meaning and the activities of my organization into the limited definition of Social Enterprise. (DH7, CEO, Z SV, 18 June 2014, 11:06AM-12:17PM)	Instances in which actors ignore or reject the SEPA.	Differentiation of themselves from the SEPA.
	Support of the SEPA (2007-2012)		
Oppositional Actors	If the meaning of social enterprise is not institutionalized by the government, Social Enterprise would have no effect at all in the Korean society and no one would have accepted an un-institutionalized meaning. (BJ7, CEO, G SE, 16 June 2014, 14:04PM-16:00PM)	Instances in which actors support the meaning of social enterprise in the SEPA (2006).	Supporting the government's activities in promoting Social Enterprises.
	The MoEL did not understand what a social enterprise is. Our broadcast campaign on social enterprises has improved their understanding of the concept. (CE0, Deputy Director, J Intermediary, 20 May 2014, 15:30PM-17:40PM)	Instances in which actors influenced government related actors' understanding of the concept of social enterprise.	Proposing their position as in-group actor of the government.

	The MoEL and the government officers tried to understand social enterprise and to protect civil organizations involved in the institution building process. (BH5, Professor, E University, 23 June 2014, 13:05PM-14:22PM)	Instances in which actors praised the government's effort to institutionalize the meaning of social enterprise.	Praising the government's effort.
	Unemployment issues were the most important agenda to be solved at that time. (CY2, Director, L Intermediary, 15 May 2014, 10:10AM-11:10AM)	Instances in which actors acknowledged the government's established meaning of social enterprise.	Justification of the government's objectives in promoting Social Enterprise.
	Government Response		
	A social venture is "a business which is more creative and innovative compared to social enterprises, but which does not necessarily meet the criteria of certified social enterprises" (Korea Social Enterprise Promotion Agency 2011).	Instances in which a criticism of an interpretation was (partly) accepted.	Accommodating a recommendation to include additional definitions of social enterprise.
	A social enterprise can be established as a small-medium enterprise according to the amendment of the Small-medium Enterprise Law (2016).	Instances in which a criticism of an interpretation was (partly) accepted.	Accommodating a recommendation to include additional definitions of social enterprise and to revise a law.
	A social enterprise can gain the legal status of social cooperative according to the establishment of the Framework of Cooperatives Act (2012).	Instances in which a criticism of an interpretation was (partly) accepted.	Accommodating a recommendation to include additional definitions of social enterprise and to revise a law.

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